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JOB TRAINING PARTNERSHIP ACT IN A RURAL SETTING

HEARING

BEFORE THE

SUBCOMMITTEE ON
EMPLOYMENT AND PRODUCTIVITY

OF THE

COMMITTEE ON
LABOR AND HUMAN RESOURCES
UNITED STATES SENATE

NINETY-NINTH CONGRESS

SECOND SESSION

ON

EXAMINING THE ROLE OF THE JOB TRAINING PARTNERSHIP ACT IN IOWA AND OTHER MIDWESTERN STATES IN MEETING THE CHALLENGES POSED BY THE RECENT CRISIS IN THE AGRICULTURAL ECONOMY AND HOW TO IMPROVE ON IT

APRIL 5, 1986
DES MOINES, IA

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JOB TRAINING PARTNERSHIP ACT IN A RURAL SETTING

SATURDAY, APRIL 5, 1986

U.S. Senate,
Subcommittee on Employment and Productivity,
Committee on Labor and Human Resources,
Des Moines, IA.

The subcommittee met, pursuant to notice, at 9 a.m., in the public auditorium, Wallace Building, Des Moines, IA, Senator Charles E. Grassley presiding.

Present: Senator Grassley.

OPENING STATEMENT OF SENATOR GRASSLEY

Senator Grassley. Since the hour of 9 o'clock has arrived, I guess I will start the hearing.

I would like to begin with a short statement on my part thanking everyone in attendance for your participation in this hearing, particularly those of you who are serving as witnesses and have had to go beyond the call of duty by coming in on a Saturday to contribute to our knowledge base of the Job Training Partnership Act. We have several oversight hearings on this, but this is the first in Iowa.

I should also note at this point that we also owe a debt of gratitude to the chairman of the Subcommittee on Employment and Productivity, Senator Quayle of Indiana. He is the one that gave me permission to hold this field hearing in Iowa, responding to my personal feelings that since the agricultural situation is worse in Iowa than in any other State, except possibly Nebraska, that we would gather testimony specifically from Iowans.

The Subcommittee on Employment and Productivity, as you may know, is a subcommittee of the Committee on Labor and Human Resources, and we are charged with the oversight of the Job Training Partnership Act.

The Job Training Partnership Act went into effect, as you know, on October 1, 1983, and it began its first full year of program operations in July 1984. I think the best short definition of the Job Training Partnership Act was offered by Secretary of Labor Bill Brock, when he said, ". . . job training is the basic service and placement in self-sustaining employment is the primary objective of the program."

Under the Job Training Partnership Act, the private sector plays a vital role in planning and operating job training programs. The partnership in the title refers to a broad partnership of Government, business, organized labor, educational institutions, rehabilitation agencies, and economic development organizations.

The Job Training Partnership Act emphasizes serving economically disadvantaged youth and adults, but services are also provided to individuals who have encountered special barriers to employment, including displaced homemakers, those with limited English speaking ability, school dropouts, teenage parents, the handicapped, older workers, veterans, criminal offenders, alcoholics and those with drug addiction. The Job Training Partnership Act also serves workers who have lost their jobs due to general economic conditions, such as in the closing of factories or businesses.

As a member of the subcommittee, I am interested this morning in examining the role of the Job Training Partnership Act in Iowa and other Midwestern States; specifically, to examine how the Job Training Partnership Act is meeting the challenges posed by the recent crisis in the agricultural economy and, second, to listen to suggestions from persons involved in the program at the State and local levels as to how the Job Training Partnership Act can be improved.

I don't think there is any more question that the agricultural sector of the economy is in a state of transition. Attention has been focused on what the popular media like to refer to as the "plight of the farmer" for some time now, but the impact of the current agricultural crisis is being felt in Midwestern States far beyond the confines of the family farm.

In Iowa, where 7 out of 10 jobs depend on the agricultural sector, we are seeing the impact of bank closings, local merchants going out of business, and tougher times for everyone in rural communities. We have also seen the impact of the farm crisis in large layoffs at major employers, such as the John Deere operation in Waterloo and Firestone here in Des Moines.

I think it is a tribute to the flexibility of the act that Iowa and other Midwestern States have been able to provide assistance to displaced farmers under title III, the displaced worker program. In addition to the regular title III funds, Iowa, Minnesota, and Kansas have received sizeable grants from the Secretary of Labor's office, his using the reserve funds, for programs to serve farmers. Iowa has recently received an additional grant for workers at the John Deere and Rath plants in Waterloo and the Firestone plant in Des Moines who have been displaced by adverse economic conditions.

I would like to turn now to the first panel. In the introduction of the first panel I would like to say that I feel we have assembled a group of people here today who will be able to provide us with some insights into the Job Training Partnership Act as it operates in a largely rural context. Our first panel this morning consists of three statewide Job Training Partnership Act administrators: Mr. Philip Smith, who is director of the Human Resources Division of the Iowa Office of Planning and Programming; Mollie Anderson, who is the director of the Greater Nebraska Job Training Program; and Steve Ingram, who is deputy director of employment, training and labor liaison for the Dislocated Workers Program in Kansas.

I would ask at this time if you three will come up here, and if you do not sit behind your nameplate, put it in front of you, and I would ask that you proceed in the order in which I introduced you, and I think, as is the usual custom, even in Washington, we would ask you to limit your statements to 5 to 7 minutes in length. But please remember that regardless of how short or long you make it, your entire statement will be printed in the record and will be made a permanent part of the record. For that reason, then, since most presentations are longer than 5 to 7 minutes, we would ask you to summarize.

Also, for the benefit of any of the witnesses, I would make this one brief announcement for administrative purposes. Even though I am the only Senator here today, there might be questions you could expect from other members of the committee. I doubt if it will happen, but just in case it does happen, we would ask that you respond to those in 15 days after this hearing so that at that point we can close the record and get it printed for everybody's benefit.

We will start with you, then, Mr. Smith.

STATEMENT OF PHILIP C. SMITH, DIRECTOR, DIVISION FOR HUMAN RESOURCES COORDINATION, OFFICE FOR PLANNING AND PROGRAMMING, DES MOINES, IA; MOLLIE ANDERSON, DIRECTOR, GREATER NEBRASKA JOB TRAINING PROGRAM, LINCOLN, NE; AND STEVE INGRAM, DEPUTY DIRECTOR OF EMPLOYMENT AND TRAINING, DISLOCATED WORKER PROGRAM/LABOR LIAISON

Mr. SMITH. Good morning, Senator. It is nice to have you back in Iowa and I welcome you to Des Moines. It is a pleasure to be here and to have this opportunity to share with you some of our experiences with the Job Training Partnership Act in assisting Iowa's dislocated farmers.

Before I report on this issue, Governor Branstad has asked that I send you his personal greetings and his regrets that he is not able to be here today. The Governor currently is and has been a strong supporter of the Job Training Partnership Act. In particular, he is proud of the help it provides to our farmers who are in need of its services. He appreciates your shared interest and support in the Job Training Partnership Act.

In my remarks, Senator, I will not dwell upon the farm economy. I am aware that you are both a farmer and a farm State senator. You know the seriousness of the situation and have been a strong proponent of agriculture in Washington. For that, we are very grateful.

The farm crisis, as it is often referred to by the media and others, is not something which has just happened in the last 2 years. A whole series of events have led us to where we are today. Inflated land prices, followed by drastic devaluations and sustained periods of high interest rates, overvaluation of the dollar, credit problems and others, have all contributed to this agricultural crisis in America's heartland.

The bottom line is this: Thousands of farmers are being forced to leave agriculture. A common figure used by agricultural economists is that one-third of our Nation's farmers and ranchers are in serious financial difficulty.

While some of these people will be able to hold on to their farms, many less fortunate individuals will be forced to leave their land.

In our State alone, Iowa State University has indicated that as many as 12,500 farms will be lost over the next 12 to 18 months. Nationally, the number could approach 200,000.

We cannot, under the Job Training Partnership Act, solve the farm crisis. We can, however, help many of the individuals and families who feel the impact of it

While many of those affected have some alternate source of off-farm income, it is still difficult. These people have found it easier to move away from agriculture into other careers.

However, there are others who are not as fortunate. They are losing their farms and now must seek new ways to support themselves and their families. A career change is inevitable.

In a growing, dynamic economy, career changes frequently occur, sometimes voluntary, other times, forced. In the latter case, the career change can be quite painful. For farmers this is especially true. Not only is their livelihood being threatened, but their entire lifestyle is brought into question.

The Job Training Partnership Act can help our farmers during this process. Under the title III Dislocated Workers Program, States have the option of declaring dislocated farmers as eligible. Under titles IIA and IIB, farmers or farm family members can also be enrolled as either economically disadvantaged persons or as individuals in need of special assistance.

Since April of 1984, when Governor Branstad declared farmers as an eligible population group we have been able to serve over 500 Iowa farm family members through the formula title III grants and the title II funds allocated to the 16 service delivery areas. In addition, last December we received a half-million dollars in Secretary's title III discretionary grant, helping us expand our services to about 385 dislocated farmers in 28 of Iowa's 99 counties.

Types of services and activities offered through our program include career counseling, job search assistance, remedial education if needed, and retraining.

Most of our activities are short term. First, it is easier for an adult to enter a 4- to 12-week program than to enroll in a 2-year program. Second, farmers as a group have already developed a wide range of marketable skills. For many of them, counseling and reorientation services are critical. Losing a family farm is a financial burden and it is a personal crisis. Self-confidence needs to be restored.

Two years ago we, in Iowa, Nebraska, and Kansas, felt our situation was unique. We found, while attending National Job Training meetings, there was limited discussion about the problem of America's dislocated farmers and the impact on rural communities. However, in the past year this has changed. The crisis in agriculture has struck every region of our country. Dairy farmers in New York and Pennsylvania are in trouble. So are potato growers in Maine. Timber- and cattle-producing States in the West are in equal difficulty. The southern regions of our Nation, where cotton and other commodity prices have been low, also share our burden.

In each one of these areas, JTPA is being called upon to provide whatever assistance it can. It has been able to help a small portion of those in need. But it has had problems. Today you will hear about the problems facing JTPA. They include the need for determining an easier way for eligibility, improving outreach and referral services and upgrading coordination and integration of program services.

To address these growing needs, Assistant Secretary of Labor Roger Semerad will convene a work group of 15 JTPA State officials to meet with Department of Labor and Agriculture representatives and congressional staff members. This group will look at the ways JTPA can enhance its services to dislocated farmers and ranchers. States are seeking answers to their questions and want to offer their assistance. However, they are in need of some good direction, leadership and advocacy. This work group will be providing guidance to States as they attempt to reach our dislocated farmers, a group who have traditionally not utilized employment and training systems.

Another national activity related to this subject is the recent action by the National Governors Association winter meeting. Governor Branstad, chairman of the NGA Agriculture Committee, and Governor Castle of Delaware, chairman of the NGA Human Resources Committee, agreed to appoint a joint task force. This task force will be developing recommendations for States to use in addressing the broad range of human resource issues associated with the farm crisis. Needs such as medical care, mental health, food stamps and education will be looked at. Recommendations will be reported back to the NGA in the August summer meeting.

In summary, I believe that the Job Training Partnership Act is an excellent piece of legislation. The Department of Labor, under the leadership of Secretary Brock and Assistant Secretary Semerad, are helping to build a strong, viable employment and training system. The flexibility of JTPA allows it to respond to the special needs of unique groups of individuals like our dislocated farmers.

In the future we could use JTPA as a vehicle for stimulating economic development in rural areas, encouraging entrepreneurial training and linking vital and scarce resources together for serving not only our farmers, but other potential client groups as well. Governor Branstad has asked for half a million dollars in State funds to help us in these efforts as we focus more of our attention on rural communities and farm families.

With respect to the JTPA amendments currently being considered by your subcommittee, I would encourage you to recommend that the Department of Labor increase its research and development activities for rural programs, making more technical assistance and training money available to rural States.

Also, I would ask that some of the available discretionary dollars be targeted to the agricultural sector of our economy. We are working hard, but we need help. The loss of Federal JTPA funds, especially in title III, only makes our efforts more difficult.

I want to close by expressing my deep appreciation to you for your support, and for convening this hearing. I would also like to thank Senator Quayle for agreeing to this, and I know that he is a very strong proponent of the Job Training Partnership Act, and we work very closely with him.

So we thank you very much for that, and I will be glad to help in whatever way possible.

Thank you, Senator.

Senator **Grassley**. I am going to wait until we have all the testimony from the three of you before I ask questions of panel 1. So, Mollie, would you go ahead.

Thank you, Senator Grassley.

Mr. **Anderson**. I am pleased to be here today to assist you in your evaluation of the Job Training Partnership Act and its effectiveness in rural service delivery areas.

My testimony will focus on the strengths and weaknesses of the current law and the importance of other employment and training Programs, such as the Federal Trade Adjustment Assistance Act and the job training portion of the Federal farm bill. I will also review some innovative projects in the State of Nebraska.

First, let me provide some background information on the State and service delivery area I represent. Nebraska is a central State which geographically is very large. We cover approximately 76 thousand square miles and we have three service delivery areas in our State. Our unemployment rate is 8 percent, which exceeds the national average by 1 percent.

On pages 1 and 2 of my presentation I have highlighted some information on the State of Nebraska, and I will not go into this at this time. I must say, though, that we are a rural State. We have 331 communities of 500 or less, and so most of the area that I serve has very few metropolitan areas.

Nebraska is affected by the ag crisis, like many of the other Midwest States. On page 2 of my statement, you will find that there are several highlighted figures on the crisis in Nebraska. It certainly is our No. 1 industry. Twenty-one percent of all Nebraska jobs are on farms. Forty percent of our manufacturing jobs are in ag-related industries, and 36 of our 96 counties are highly dependent upon agriculture.

The extent of the farm crisis certainly goes on beyond the farm.

The size of our State's JTPA title II allocation makes us 44th out of 57 States and territories, which indicates either the significance or insignificance of rural States in determining policy matters. The size of our SDA allocation continues to decrease year after year, going from 12 million in 1983 under CETA to 4.3 million under JTPA for 1986–87.

There are four great strengths that we see with the Job Training Partnership Act:

First, it is the involvement of the private sector in the development of planning and programs to meet local employment and training needs. This certainly is somewhat complicated in a geographic area like ours.

Second, the ability to monitor programs and performance and prescribe corrective action at a local level is another positive feature of the program.

On page 3 of my testimony you will see that Nebraska's performance certainly is meeting all of the national standards and, in most cases, exceeding those. And we are pleased that the JTPA programs are performance-driven.

The fourth best feature of the Job Training Partnership Act is the fact that it has a clear return on investment. If you take the average cost per participant in Nebraska, which is $1,709, and you compare that to the cost of keeping a family of three on AFDC, that cost is $6,252. The cost of keeping a person on unemployment insurance is $1,566. If you compare that to the benefits, if we place one person at $5.62 an hour, you will see that they generate $11,000 in income; they generate $8,000, roughly, in retail sales; they generate $911 in State taxes, and they generate $1,508 in Federal taxes.

The last positive feature of the Job Training Partnership Act is the fact that it has a clear impact on economic development. On page 5 of my testimony, you will find that there are several lists of businesses in Nebraska where we have been able to utilize this program to assist new and expanding businesses, using approximately $3 million in assisting either new or existing businesses in our State.

While JTPA definitely has some positive aspects and a great deal of promise for the future, the current problems that need to be addressed and the current limitations within the act itself combine to seriously reduce the effectiveness of many of the JTPA Programs. The problems we encounter in an agricultural State like Nebraska can basically fail into four main categories:

First would be the problems with the funding formula of JTPA;

Second would be the inability to address the anomalies of rural service delivery areas;

Third would be the inability to adapt to the unique needs of agricultural workers; and

Fourth, the limitations in the allowable activities.

Rural areas have a tendency to get shortchanged when it comes time to allocate funds based on unemployment rates. Independent studies conducted by the Nebraska Department of Labor, using Federal methods, showed that unemployment was actually up a full percentage point higher than official estimates. This would raise serious concerns about the Federal use of unemployment rates as a funding allocation tool for both rural and nonmetropolitan areas. We believe Congress should reconsider the current method of allocating JTPA funds to more accurately reflect the economically disadvantaged, rather than to continue to place great emphasis on unemployment insurance data.

We join with other States in urging that the formula for allocating funds be amended to reflect the following changes:

Seventy percent based on the relative share of economically disadvantaged;

Fifteen percent on the relative share of unemployed; and

An additional 15 percent on the relative share of excess unemployed.

Restrictions in the law also limit the effectiveness of programs. For example, 40 percent of our expended funds must be spent on youth between the ages of 16 and 21; yet only 43 percent of our SDA population fills that age bracket, making it difficult, if not impossible, to continue to meet this requirement.

Nebraska leads the Nation in expending its Federal allocation while remaining well below the national average of cost per participant; yet we are being punished, in effect, for our success. In the past, program funding has been cut drastically because States which have up to $42 million in unexpended funds are allowed to carry these moneys over into the next year. Congress can see these huge reserves and then cut funding for the next year in order to use them.

When Congress cuts JTPA funding in order to use these large, multimillion dollar carryovers, they also cut funding to States like Nebraska, which have little, if any, carryover from year to year. The effect of these cuts is to eliminate programs just a few years, sometimes only 1 year, after they have begun.

Second, JTPA does not address the needs of rural SDA's as well as it does the metropolitan areas. There is, in fact, no recognition of the difficulties or costs associated with running a large SDA like Nebraska has, one which covers 74,000 of the 76,000 square miles within the State's boundaries. Last year it cost us $110,000 just for our employees to travel to visit clients, and every time our private industry council members travel up to 8 hours for a PIC meeting, it requires $4,000 in administrative costs.

We are not asking for sympathy. What we are asking for is an understanding of the difficulties we encounter and your help in relieving us of some of the same limitations imposed on geographically small metropolitan SDA's. For example, we face the same 15 percent limitation on administrative expenses as an SDA which covers just one city. However, while that city may have 1 or 2 offices, we have 15. While that city may reduce its administrative personnel due to proximity, we cannot. And while that city can meet its clients quickly, often in a matter of minutes, we must drive hundreds of miles.

The bottom line is that for us to perform to any kind of quality standards, we must consistently readjust spending, continually reduce expenses, and often cut needed services.

The third major area of concern is the inability of JTPA to adapt to the uniqueness of the agricultural workers' needs. While title III is an excellent program, we do not believe that the dislocated worker program is the most appropriate vehicle to address the majority of the farmers we see in our ag action sites. The transition from farming to another occupation is rarely a clean break, like a termination or plant layoff. Most often it is a prolonged process, with the farmer exhausting all other options before gradually leaving farming. Therefore, title IIA, title IIB, and possibly even a public works program would provide more opportunities for the farmers or their farm family members to earn off-farm income, which would enable them to supplement their farm income and continue in agriculture.

Additionally, the income determination process for us causes some problems. Moreover, many farmers need assistance in securing training to become better farmers. Funds for training programs on financial management, alternative farming techniques, and ways to supplement living with off-farm income are often requested but difficult to fund through JTPA. Because of limited job opportunities in rural communities whose economies are tied to agriculture, the most viable option in many cases is to encourage entrepreneurshp or to asist these communities with their economic development efforts. Unfortunately, this is difficult, given the limitations on employment generating services.

The last main area of concern is program mix limitations programs today make it impossible for us to work with companies to upgrade employees into more responsible slots, while refilling old positions with more JTPA participants. Combined with the limitations on employment generating services, JTPA seems to be forced into the position of providing short-term job training or assistance, but not providing any real long-term impact on the true problems.

As the Job Training Partnership dollar resources decrease, we begin to look at other agencies and programs to provide needed services, and I'd like to comment on a few of those.

The Trade Adjustment Assistance Act, which we believe it may be worthwhile to test the eligibility of farmers for. The Trade Act of 1974 provides for assistance to workers displaced by increased imports of articles like or directly competitive with articles produced by other workers. The act provides for readjustment allowances, reemployment services, training and job search and relocation assistance.

In working with the Nebraska Department of Agriculture, it appears that documentation exists to support the argument that farmers and ranchers have been displaced by increased competitive imports, and I believe in my testimony I have provided some background on the imports of hogs and how that has adversely affected Nebraska.

It is estimated that we will lose, in our State, 3,600 to 6,000 farmers this year. It may be difficult to estimate the number who are forced off or displaced by imports. However, we believe that it would be worthwhile to investigate this.

In addition to this, section 1440 of the Federal farm bill provides for special grants for financially stressed farmers and dislocated farmers. It stated that the Secretary of Agriculture could provide programs to assist with income alternatives for farmers who have been adversely affected by the current farm crisis. The programs could consist of job search programs and retraining skills. But according to the U.S. Department of Agriculture, although the section appears in the farm bill, no moneys were appropriated for the section, and we believe it may be worthwhile to check it out.

On the bottom of page 9, we did take the time to comment on a number of Senator Quayle's, your committee's, amendments to the Job Training Partnership Act, and I have highlighted those which we are concerned with most.

In terms of the Federal performance standards, we believe that they are currently adequate. They provide a good base for evaluation, while they also provide the flexibility for the private industry council to develop their own systems.

In regard to the amendment on the 40-percent youth expenditure, we still feel that it fails to recognize the demographic differences of some rural service delivery areas and the ratio of economically disadvantaged youth to adults. As I mentioned earlier, only 43 percent of greater Nebraska SDA's population fits that age bracket, making continued compliance difficult.

And last, of real importance to us, we agree that the 90-percent hold-harmless amendment would certainly make it easier for us to plan from year to year.

With the possible exception of a few amendments, we are generally pleased with the Job Training Partnership Act and its effectiveness to meet training and economic development needs through the involvement of the private sector. In the greater Nebraska area, we have been able to develop new and innovative approaches to local labor market needs, which I will briefly highlight.

We developed an agriculture-in-transition program similar to the things which you've done in Iowa. Nebraska began serving farmers in December 1984. From that time we have served approximately 804 farmers, ranchers and farm family members, and we enrolled 524 in job training programs.

Due to the tremendous response to our Farmers-in-Transition Program, we actually exhausted our title III allocation within 2 months of receiving it. As a result of that, we applied for a discretionary grant and were awarded a $1 million grant from the U.S. Department of Labor. We were also, in November 1985, awarded the National Alliance of Business Exemplary Program Award.

We deliver our farm programs through what are called the ag action centers in our State. We have six of those. They are located in community college centers, and they provide a one-stop shop for farmers and ranchers on services that are available.

On page 12 of my testimony, it lists the types of services that are available in those ag action sites.

We also have felt the need in our State for public education on the farm crisis. We have worked with the Nebraska educational television to develop and produce a series of six programs on the ag crisis, titled "Ag Reach 86," to explain how we got here, what we can do about it, and what services are available.

Our marketing approach is a little bit different, in that we have used the Department of Agriculture as spokespersons for the program to insure that the targeted audience would be receptive. They have marketed all JTPA programs, not just title III, to enable us to assist the entire family.

In terms of outreach, we have hired farmers to act as spokespersons for our program. We have utilized the Nebraska ag crisis hot line to get referrals. Outreach efforts are not focused on providing services from DOL offices but from community colleges, because we felt that the farmers felt more comfortable with those offices.

In terms of fundraising, we have developed the attitude that the needed levels of public funding will not always be available, and that to continue to provide our programs at the level we currently are will require an extensive fundraising effort. We have already identified a list of 20 foundations and 20 ag corporations to investigate. Our fundraising efforts will be done in the name of the Private Industry Council, Inc., and with a current goal of raising $1.5 million.

I would like to comment on linkages. The key to Nebraska's successful program is the effective linkages which have been developed with several State agencies, including department of labor, department on aging, department of agriculture, department of economic development, department of energy, department of education, and so on.

Due to time constraints I will not go into the types of services that we are offering in those. I will state that I think we have been able to use, for example, the department of energy to use weatherization programs to employ dislocated farmers and help them in their rural communities

I thank you for the opportunity to comment today.

[The prepared statement of Ms. Anderson follows:]

Congressional Field Hearing
Des Moines, Iowa

STATEMENT OF
MOLLIE ANDERSON
DIRECTOR
GREATER NEBRASKA JOB TRAINING PROGRAM

BEFORE THE
Subcommittee on Employment Productivity
Senate Committee on Labor & Human Resource

on
The Effectiveness of Job Training Programs in Rural Areas

Senator Grassley and members of the Subcommittee:

I am pleased to be here today to assist you in your evaluation of the Job Training Partnership Act, PL-97-300, and its effectiveness in rural service delivery areas.

My testimony will focus on the strengths and weaknesses of the current law, and the importance of other employment and training programs such as the Federal Trade Adjustment Assistance Act and the job training portion of the Federal Farm Bill. I will also review some innovative projects in the State of Nebraska.

First, let me provide some background information on the state and service delivery area I represent. Nebraska is a central state which geographically is very large, covering 76,644 square miles. We have three SDAs in our State. Our SDA includes 74,095 square miles, with a population of 859,664. Our unemployment rate is 8.0%, compared to 7.0% for the nation.

NEBRASKA DEMOGRAPHIC PROFILE

POPULATION:	State	1,569,825	
	Greater Nebraska SDA	859,664	(55%)
	Farms	59,000	
	Towns Under 500 Population	331	

POVERTY RATE:	Nebraska	8.0%
(1979 Income)	U.S.	9.6%

PERCENT OF FARMERS AND RANCHERS:	AGE 45 and Over	60%
	AGE 55 and Over	39%

REALITIES OF THE FARM CRISIS

I. The Farm Crisis - what it means to Nebraska and other agriculture states:

- A. Agriculture is our #1 industry
  - 1) 21% of all NE jobs are on farms, ranches or in food related industries; there are 60,000 farmers in state.
  - 2) 40% of NE's manufacturing jobs are in Agricultural-related industries.
  - 3) Farm income impacts NE personal income four times more than the United States average rate.
  - 4) 36 of 93 counties are highly dependent on farm income. This fact represents the highest percentage in the United States
- B. Extent of crisis to farms (estimated) - this year
  - 1) 6-15% of farmers will go out of business in 1986 (3,600-9,000 farms)
  - 2) 40-50% FHA Loan delinquency rate
  - 3) Ag Land values plummeting: Down 19% in United States down 50% in NE
  - 4) Nebraska's avg. is $250,000 debt per farm: ranks 4th in United States
  - 5) Avg. NE farm income in 1984: less than $7,000
  - 6) NE farm debt to asset ratio highest in United States: 30%
  - 7) 1985 farm bankruptcies: 200+, Avg. 29+ per month, so far in 1986 there have been 37 bankruptcies in Northeast Nebraska alone
- C. Extent of crisis beyond the farm
  - 1) 1985 Bank closures 12; Avg. 1 per month
  - 2) 1985 Business bankruptcies: 106, 37% ag-related or in towns with populations at or below 5,000
  - 3) Almost 1/2 of rural non-farm businesses are in serious trouble
    - a. 33% equipment dealers, 14% grain dealers
    - b. Out of business in '84 - 6% equipment, 3% grain
  - 4) NE taxable retail sales down $100 million each year since 1981 reduced state revenues
  - 5) 7,120 new jobs needed just for those workers displaced in 1985

a. includes 4,380 farmers and family workers
b. 1,140 hired farm workers
c. 1,600 ag-industry workers
d. or face heavy OUT-MIGRATION to big cities or out of state
    1) continued decrease in tax revenues
    2) continued decrease in community population and spending
    3) continued degeneration in community social fabric

The size of our state's JTPA Title IIA allocation makes us 44th out of 57 states and territories which indicates the significance or insignificance of rural states in determining policy matters. The size of our SDA allocation continues to decrease year after year going from 12 million in 1983 under CETA to 4.3 million under JTPA for 86-87.

One of the greatest strengths of the Job Training Partnership Act is the involvement of the private sector in the development and planning of programs to meet local employment and training needs. Local involvement is somewhat complicated in a large geographic SDA like ours.

Our Private Industry Council (PIC) has 32 members from all across Nebraska. We meet 5 to 6 times a year, and some members must travel as much as 8 hours to attend a meeting and it takes 1 1/2 days out of their business schedules, and it can cost us $3,000 to 4,000 to simply hold a PIC meeting. You might be wondering whether it is worth it, but it is. Our attendance is excellent and the support of our business community is indicated by their support and participation in on the job training program and their involvement in planning innovative programs to meet local problems specific to our areas. Last year we contracted for 1,631 on-the-job training employees and paid out $2,081,047 in reimbursements.

JTPA programs were intended to be a partnership between the PIC and Local Elected Officials. Our local elected officials in our 88 county area are represented by 5 officials appointed by the Governor. They meet in connection with each PIC meeting and act as partners in the delivery and planning of Greater Nebraska Programs.

The ability to monitor programs and performance and prescribe corrective action at the local level is another positive feature of our JTPA program. Current federal performance measures have been useful to PIC members as base for evaluation of programs and services. But members of the Private Industry Council have not limited their evaluation to the use of such tools. They have established their own executive summary report, survey of participants and employers, and have developed a profile of the OJT employers and other miscellaneous surveys. They have also continually developed corrective action directives for the Administrative Entity when necessary. Current performance indicates that the Greater Nebraska Job Training Program has met or exceeded all the federal performance standards.

GREATER NEBRASKA JOB TRAINING PROGRAM
1985 Performance compared to National
Average -

GREATER NEBRASKA
JOB TRAINING PROGRA

ADULT	NATIONAL STANDARD	1st QTR ACTUAL	2nd QTR ACTUAL	7-1-85 to 12-31-85 CUMULATIVE
Entered Employment	55%	77% (413/538)	79% 126/160	77% (539/698)
Cost per Entered Employment	$5,704	$1,403 ($579,238/413)	$2,712 (341,727/126)	$1,709 (920,965/539)
Welfare Entered Employment Rate	39%	63% (57/91)	67% 38/57	64% 95/148
Average Wage at Placement	$4.13	$5.01	---	$4.78
YOUTH				
Entered Employment	41%	36% (135/376)	67% (108/161)	45% (243/537)
Positive Termination Rate	82%	94% (352/376)	88% (142/161)	92% (494/537)
Cost Per Positive Termination	$4,900	$1,097 ($386,158/352)	$1,497 (212,622/142)	$1,212 ($598,780/494)

In addition to evaluating the Greater Nebraska Performance in relation to national standards, the Private Industry Council/LEO Board reviews the return on investment for the state for each person trained.

The Greater Nebraska Job Training Program successfully placed participants at the rate of $1,709 per individual for the first quarter of this program year. Compare this to Social Service programs which are far more expensive: a family of 3 on AFDC costs the state $6,252 annually UI compensation for a single individual is $1,566, but does not help the state in any way.

However, if you compare the costs of placing a JTPA participant to the benefits, you will see the remarkable productivity of the program. One person in Nebraska employed at $5.62 per hour earns $11,690 annually. Of that $11,690, $8,864 is spent in retail sales. In addition to the sales an individual generates, a further $911.82 is collected in state taxes, as is $1,508 in federal taxes.

Below is a summary of contracts or projects written for new or expanding employers from 6-30-84 to the present. Some of these projects were done in conjunction with The Department of Economic Development, others were done on our own. The "$ Set Aside" amounts are those approved by the Private Industry Council/Local Elected Officials Board. In some instances, the amount utilized by the employer was significantly less than the Greater Nebraska set-aside, but the full amount was made available to the employer.

Name of Company	Location	Type of Project	$ Set Aside
Perfection Colby	Gering	New	86,268
Egging Mfg.	Gurley	Expanding	5,461
Dayco	Alliance	Expanding	22,250
Sugar Spoon	North Platte	Expanding	4,847
Sixth Street Grocery	Ogallala McCook North Platte Lexington	Expanding	15,000 +
Morris Press	Kearney Lexington	Expanding	15,000 +
Iams Pet Food	Aurora	New	11,970
Monfort	Hastings	New	56,704
Marshalltown	Hastings Oshkosh	New	56,704
Winning Edge	Holdrege	Expanding	65,000
Hinky Dinky	Auburn	New Ownership	22,000
Sundstrand	York	New	75,098
American Meter	Nebraska City	Expanding	15,000 +
Timpte	Wayne	New	100,000
Shopko	Norfolk Columbus	New	16,024
Behlen	Columbus	Expanding	30,000
Phoenix Engineering	Fremont	Expanding	57,600
Land O' Lakes	Schuyler	Re-open	114,765
J.P. Originals	Fremont	Expanding	31,360
Knudson	S. Sioux City	New	25,365
Hy-Vee	Columbus	New Ownership	25,600
Armour Foods	Madison	Expanding	32,400
Fortune 100 *	Columbus	New	100,000
		Total	984,416

* Name Confidential at this time

Looking at the geographic division, the totals by regions are:

Panhandle	$113,979
Mid-Plains	19,847
Central	205,378
Southeast	112,098
Northeast	533,114
Total	$984,416

In addition to these major projects, on-the-job training contracts with existing businesses can be an economic development tool to keep these companies in Nebraska, especially small, agriculture related businesses.

Secondly, JTPA does not address the needs of rural SDA's as well as it does those in metropolitan areas. There is, in fact, no recognition of the difficulties or costs associated with running a large SDA like Nebraska has, one which covers 74,000 of the 76,500 square miles within the state's boundaries. Last year it cost $110,000 for our employees just to travel to visit clients. Every time our Private Industry Council members travel eight hours for a PIC meeting, it requires $4,000 in administrative costs.

Some members of our staff must travel two or more hours just to visit one rural client, losing valuable work time in the process.

We are not asking for sympathy or special treatment simply because we run a geographically large SDA. What we are asking for is an understanding of the difficulties we encounter, and your help in relieving us of the same limitations imposed on geographically small, metropolitan SDA's. For example, we face the same 15% limitation on administrative expenses as an SDA which covers just one city. However, while that city might have one or two offices, we have fifteen. While that city can reduce its administrative personnel due to proximity, we can not. And while that city can meet its clients quickly, often in a matter of minutes, we must drive hundreds of miles. The bottom line is that for us to perform to any type of quality standard, we must constantly readjust spending, continually reduce expenses, and often cut needed services.

While JTPA definitely has positive aspects and a great deal of promise for the future, the current problems that need to be addressed and the current limitations within the Act itself combine to seriously reduce the effectiveness of many of the JTPA programs. The problems we encounter in a agricultural state like Nebraska can be grouped into 4 main categories: The problems with the funding formula of JTPA, an inability to address the anomalies of rural Service Delivery Areas, an inability to adapt to the unique needs of agricultural workers, and limitations in allowable activities. Rural areas have a tendency to get shortchanged when it becomes time to allocate funds based on unemployment figures. Former Secretary of Labor Ray Marshall has stated: "by whatever standard we judge manpower experiences, the evidence seems to support the conclusion that rural areas have been shortchanged...service to most rural areas is nonexistent." In both March and September of 1985, independent studies conducted by the Nebraska Department of Labor, using federal methods, showed that unemployment was actually up to a full percentage point higher than official estimates. This would raise serious concerns about the federal use of unemployment rates as a funding allocation tool for rural and non-metropolitan areas. We believe Congress should reconsider the current method of allocating JTPA funds to more accurately reflect the economically disadvantaged, rather than continue to place great emphasis on unemployment insurance data (2/3 of the formula). Many midwesterners refuse to accept UI benefits viewing them as welfare instead of earned benefits. More importantly, farmers and other agriculture workers are not even eligible for unemployment compensation. To accept the current formula is to refuse to recognize these individuals and to deprive agriculture-based states of needed retraining dollars.

We join with other states in urging that the formula for allocating funds be amended to reflect the following changes: 70% based on the relative share of economically disadvantaged, 15% on the relative share of unemployed, and an additional 15% on the relative share of excess unemployed. We believe that this new formula would accurately and fairly provide funding for programs for the economically disadvantaged. Once the federal allocations are made, restrictions and uncertainty limit the effectiveness of whatever programs are implemented. For example, 40% of our expended funds must be spent on youth between the ages of 16 and 21. Yet only 43% of the SDA's population fills that age bracket, making it difficult if not impossible to continue meeting that requirement. We are currently turning away needy adults in all regions because of this age restriction.

Nebraska leads the nation in expending its federal allocation while remaining well below the national average of cost per placement. The Greater Nebraska SDA's positive termination rate of 92% for the first six months of FY 1985 was achieved at a cost of $1,212 per placement, as compared to the national average of $4,900. Yet we are being punished, in effect, for our success. In the past, program funding has been cut drastically because states which have up to $42,000,000 in unexpended funds are allowed to carry unexpended monies into the next year. Congress can see these huge reserves and then cut funding for the next year in order to use them. Nebraska has no such reserves, and every cut made of those surpluses actually comes out of Nebraska's JTPA program's effectiveness. Those carry over dollars need to be reallocated to States like Nebraska, who have shown they can spend it efficiently and productively.

A further problem which exists is due in large part to the huge surpluses amassed by some states which were mentioned earlier. When Congress cuts JTPA funding in order to use these large, multi-million dollar carryovers, they also cut funding to States like Nebraska, which have little if any carryover from year to year. The effect of these cuts is to eliminate programs just a few years, sometimes only 1 year, after they have begun. Any positive results from these cut programs are lost, in effect wasting the first few year's funding.

If it is not possible to reallocate the unused portion of one State's allocation to another, Congress should at least investigate simply not appropriating additional funds to specific states, rather than the country as a whole. This would eliminate the problems created in Nebraska and other States by rapid and severe budget cuts imposed to eliminate carryovers.

The third major area of concern is the inability of JTPA to adapt to the uniqueness of agricultural workers' needs. While Title III is an excellent program, we do not believe that the dislocated worker program is the most appropriate vehicle to address the majority of farmers we see in our Ag Action Sites. The transition from farming to another occupation is rarely a clean break like a termination or plant layoff. Most often it is a prolonged process, with the farmer exhausting all other options before gradually leaving farming. Therefore, Title IIA, IIB, and possibly even a public works program would provide more opportunities for the farmers or their family members to earn off-farm income which would enable them to supplement their farm income and continue in agriculture.

Additionally, the income determination process for inclusion and exclusion currently in use is written in such a way that it is difficult for staff members to enroll self-employed individuals. Moreover, many farmers need assistance in securing training to become better farmers. Funds for training programs on financial management, alternative farming techniques, and ways to supplement living with off-farm income are often requested but difficult to fund through JTPA. Because of limited job opportunities in rural communities whose economies are tied to agriculture, the most viable option in many cases is to encourage entrepreneurship or to assist these communities with their economic development efforts. Unfortunately, it has become extraordinarily difficult to help with these problems given the funding limitations on employment generating services.

Clearly, farmers in Nebraska need our help. While an individual might earn $100,000 from sale of grain, his debt-to-asset ratio would reduce his profit so that possibly he only has $1,000 to live on for the entire year. The farmers we see do not want to leave their farms, just receive help to learn to farm better while also receiving a little extra income to make keeping the farm possible.

The last main area of concern is program mix limitations. Programs today make it impossible for us to work with companies to upgrade JTPA employees into more responsible slots while re-filling old positions with more JTPA participants. Combined with limitations on employment generating services, JTPA seems to be forced into the position of providing short-term job training or assistance, but not providing any real long-term impact on the true problems.

COMMENTS ON OTHER PROGRAMS PROVIDING EMPLOYMENT AND TRAINING PROGRAMS

TRADE ADJUSTMENT ACT

We believe it may be worthwhile to test the eligibility of farmers for the Trade Adjustment Act. The Trade Act of 1974 provides for assistance to workers displaced by increased imports of articles like or directly competitive with articles produced by other workers. On the filing of a petition by a group of workers, the U.S. Department of Labor conducts an investigation of the adverse impact of imports and if it is found that the workers have been adversely affected by import competition, a certification is issued declaring that the workers are eligible to apply for Trade Adjustment Assistance (TAA). The Act provides for TAA in the form of weekly trade readjustment allowances (TRA), reemployment services, training, and job search and relocation allowance.

In working with the Nebraska Department of Agriculture, it appears that documentation exists to support the argument that farmers and ranchers have been displaced by increased competitive imports.

At a time when our farmers have been asked to reduce both livestock numbers and crop acres, competitive agricultural imports have risen 8% over last years levels. The total for the first seven months of FY 1985 being 7.8 billion dollars. Imports from Brazil have risen 42% and those from Canada have risen 19% above 1984 levels.

More specifically, duty free imports of ethanol from Brazil have severely damaged the Nebraska ethanol industry and the grain producers who supply the industry. In addition, increased sugar imports threaten not only the struggling sugar beet industry but also the exciting new growth industry of fructose corn sweeteners.

While the volume of beef and live cattle imports is much greater than that of pork and live hogs, recent events in the pork trade make it an interesting example.

In the October to April period of FY 85, one million head of live hogs were imported into the U.S. from Canada, nearly double the number a year previous. Add to this the 534 million pounds of dressed pork imported into the U.S. and this becomes the equivalent of 5 million live hogs imported in the first 7 months of FY 85 or a projected annual total of 8.57 million head.

Eight million head represents the potential production of thousands of displaced hog farmers here in the U.S. and Nebraska. In addition, the feed grain needed to produce those 8 million hogs would be in excess of 128 million bushels. Obviously, thousands of farmers are being forced off of their land because of lack of demand and low prices due to the flood of imports.

It is estimated that 3,600 to 6,000 farmers will be forced out of business in Nebraska in the coming year. It is difficult to estimate the number forced off or displaced by imports. However, it is possible to argue that recent increases in competitive imports have been a major factor contributing to the displacement of many Nebraska family farmers.

Aside from the import issue, there are other questions which must be resolved to determine a farmer's eligibility for TAA assistance. Section 635.11(a)(5) requires, for purposes of TRA entitlement, that a worker must have exhausted all rights to UI to which the worker was entitled under State or Federal law. The "exhaustion of UI" is further defined as exhaustion of all rights to UI in a benefit period by reason of: (a) having received all UI to which a worker was entitled under State or Federal UI law with respect to such benefit period; or (b) the expiration of such benefit period. If farmers and ranchers do not qualify for UI, does this mean they have exhausted their rights at the expiration of a time period equal to the benefit period of eligibles?

FEDERAL FARM BILL

Section (f)(1)(A) of the 1985 Federal Farm Bill provides for special grants for financially stressed farmers and dislocated farmers. It states that the Secretary of Agriculture shall provide for programs to develop income alternatives for farmers who have been adversely affected by the current farm crisis. Programs can consist of education and counseling services as well as providing linkages to specific resources and opportunities that are available to the farmer, such as re-entering agriculture, new business opportunities, other off farm jobs, job search program and retraining skills.

According to U.S.D.A. officials, it appears that there were no funds allocated for this specific provision of the farm bill but it may be worthwhile to explore special funding from U.S.D.A. for targeted areas of the country.

Comments on Sen Quale's Amendments to the Job Training Partnership Act.

Sec. 2(b).-Require the Secretary to establish performance standards measuring the long-term impact of participation by July 1, 1986 or report to Congress with recommendations for legislative changes, if necessary.

We believe current federal performance standards are adequate and provide a good base for evaluation. The current system provides the flexibility for the Private Industry Council to develop their own evaluation techniques within administrative fund limitations and staff constraints.

Sec. 5(a) and (b).-Enforce the 40 percent requirement for services to youth and other program requirements by withholding funds from future grants. Funds withheld by the State from SDAs that do not meet these requirements must be reallocated among SDAs that are in compliance. Effective July 1, 1986.

Sen Quale's amendment to the 40% youth expenditure requirement fails to recognize the demographic differences of some rural service delivery areas and the ratio of economically disadvantaged youth to adults. As mentioned earlier, only 43% of the Greater Nebraska SDA's population fits that age bracket, making continued compliance difficult. More importanly, this requirement prevents us from helping qualified adults because we cannot meet the 40% requirement.

Sec. 7(a).-Permit Governors to use up to a 90% hold harmless on SDA II-A allocations, based on the average allocation for the 3 preceding program years. For PY 87, the allocation for the initial 9 month transition period will be annualized.

We agree that the 90% hold harmless amendment for service delivery areas would provide more stability for Private Industry Councils to plan local programs.

Sec. 11(a).-Eligibility shall include groups who were self employed and are unemployed as result of general economic conditions or natural disasters, as designated by the Secretary and identified by Governors.

Nebraska is highly supportive of this proposed amendment. In addition, it is proposed to amend Secretary Brock's 4(8)-Definitions-to allow a 12-month period prior to application for income determination of dislocated farmers, in order to better serve this escalating group under Title IIA.

The State of Nebraska appreciates this opportunity to comment upon the proposed Job Training Partnership Act amendments. Further, we would like to propose several additional revisions to the Act which should also be considered by Congress:

Forty-five (45) Day Title IIB Application (20 CFR 630.2) - Delete this application procedure for Title IIB.

Due to the large number of applicants necessary for the Title IIB program enrollment and the length of time necessary to obtain the applications, the forty-five (45) day period in which an application is valid is too short. It is extremely difficult to obtain the requisite number of applications, complete the eligibility determination process and match up applicants with appropriate worksites within the forty-five day time frame.

Discretionary Funding of Title III.

We do not believe that the discretionary method of funding Title III dollars would adequately address the needs of states in regard to timing and general dislocated population needs.

INNOVATIVE PROJECTS
With the possible exception of a few amendments, we are generally pleased with the Job Training Partnership Act and its effectiveness to meet training and economic development needs through the involvement of the Private Sector. In Greater Nebraska, we have been able to develop new and innovative approaches to local labor market needs which I will briefly highlight.

AGRICULTURE IN TRANSITION PROGRAM
Nebraska began serving farmers in December of 1984 when Governor Kerrey made a special eligibility determination to make them eligible for JTPA programs. A press conference was held and efforts were made to explain programs available under Title IIA, IIB, and Title III of JTPA. From December 1984 to July 31st, 1985, 804 farmers, ranchers and family members contacted local offices for information and 524 were enrolled in programs such as On-The-Job Training, Classroom Training, and Summer Youth Program.

Due to the tremendous response to the Farmers In Transition Program, the entire 1985-86 Title III allocation was expended by August of 85. To alleviate the problem of increased demand vs funding available, Greater Nebraska applied for a Title III discretionary grant from the U.S. Department of Labor. In November of 1985, Greater Nebraska received the National Alliance of Business Exemplary Award for innovative rural programs for our Farmers In Transition Program. On October 16th of 1985, we were notified that we were awarded 1 million dollars by the U.S. Department of Labor.

NEBRASKA'S AG ACTION CENTERS: The Ag Action Centers are a part of the Agriculture-In-Transition program - a joint venture of the Greater Nebraska Job Training Program, the Nebraska Technical Community Colleges, the Nebraska Department of Agriculture and the University of Nebraska Cooperative Extension service. There are six centers established in the Greater Nebraska service delivery area.

The Ag Action Center provides a one-to-one consultation for farmers. The counselor can help a farmer determine a direction for the future. Through the Center, a farmer or rancher can be provided with a fiscal analysis of the farm or ranch operation. Classes in farm and ranch management can help determine a long-term plan efficient use of resources.

Not only are the Ag Action Centers a place to explore options, but the Centers provide legal information concerning farm and ranch rights and responsibilities as well. Additionally, crisis management programs offer strategies for handling stress.

Although the Ag Action Centers only opened on December 11, 1985, these centers have already seen 867 individuals.

The Ag Action Centers are designed to help farmers, ranchers, other ag-related workers, and their family members look at options for the future.

Services available through the Ag Action Center are:

FINANCIAL MANAGEMENT PROGRAMS

*Financial Evaluation of your farm or ranch operation
*Classes in farm and ranch management aimed at long-efficient use of resources

EDUCATIONAL WORKSHOPS

*Job-seeking application and interviewing skills
*Legal information about rights and responsibilities
*Strategies for handling stress
*Financial management for effective recordkeeping
*Evaluations of skills, abilities and interests
*Assistance in job placement
*On-The-Job Training (OJT)
*Classroom Training
*Support Services

PUBLIC EDUCATION: We have worked with Nebraska Education Television to develop and produce a series of 6 programs on the Ag Crisis titled AG REACH 86. It tells the story of the Ag Crisis in Nebraska, how we got into this problem, and what can be done to help individuals and highlight communities' positive responses to the situation.

In addition, we are working with the Department of Agriculture to develop a training program for human service professionals on how to work more effectively with the ag population and on understanding the uniqueness of the farming record keeping system. We have also developed a 15 minute video tape interviewing farmers and ranchers across the state and their reaction to programs available.

MARKETING APPROACH: We used the Department of Ag as spokespersons for the program to insure that the targeted audience would be receptive. We marketed all JTPA Programs, not just Title III, to enable us to assist the entire family. We made an effort to involve private sector representative in our marketing effort to insure their involvement in becoming a part of the solution by utilizing OJT and hiring displaced workers.

OUTREACH: We hired farmers on staff to act as spokespersons for the program in order that farmers felt comfortable. We utilized the Nebraska Ag Crisis Hot Line Program to get referrals. Outreach efforts are not focused on providing services from DOL offices or social service offices, but instead are offered through Community College Ag Classroom areas. To avoid the negative stigma farmers sometimes associate with social service offices, we offered many services through Community Colleges, we do not differentiate between whether they are leaving or staying in farming, we provide a "one stop shop" where farmers can explore options about their future in agriculture.

FUND RAISING: We have developed the attitude that the needed level of public funding will not always be available and that to continue to provide our programs at the level we currently are will require an extensive fund raising effort. We have already identified a list of 20 foundations and 20 Ag corporations to investigate. Our fundraising efforts will be done in the name of the Private Industry Council Inc. With a current goal of raising 1.5 million.

LINKAGES
The key to Nebraska's successful program is the effective linkages which have been developed with several state agencies including Department of Labor, Department on Aging, Department of Agriculture, Department of Economic Development, Department of Energy, Department of Education, the University of Nebraska and local Community Colleges. Representatives of these agencies have worked together to utilize all the available resources to address the problems caused by the crisis in agriculture. Through effective linkages, we have been able to minimize duplication of efforts and maximize the contribution of these agencies by focusing on their individual area of expertise (e.g.; Labor - Retraining and employment - Agriculture Advocacy, Outreach/Recruitment and statistical analysis of crisis).

Some highlighted examples of individual agencies involvement and innovative ideas are as follows:

DEPARTMENT OF AGRICULTURE: The Director of Agriculture was the Chairperson of the task force to develop our discretionary application and has been a strong advocate of JTPA programs. He has assigned a person to work with us on an as needed basis to review day to day program decisions to insure that the programs meet the need of the ag constituents. The Department of Agriculture is developing a directory of available programs and services for farmers. This will be a service provided on an ongoing basis, updating all information on the Ag Crisis. The directory will go to other agencies: Energy, Social Services, Economic Development, Job Service, and Aging.

DEPARTMENT OF ENERGY: We have worked together on a project utilizing weatherization programs to encourage local contractors to hire dislocated farmers on JTPA OJT in rural areas of the State to weatherized elderly and low income dwellings. The end result is a job in rural areas which improves the self concept of the farmer and a feeling of worth to the community. (A video on this project could be made available.)

DEPARTMENT OF SOCIAL SERVICES: The Director of Social Services has worked on developing brochures to explain food stamp programs to increase utilization of food stamps and to improve their rapport with farmers and ranchers.

ECONOMIC DEVELOPMENT: The Department of Economic Development to conduct Economic Development Seminars for small town representatives as well as providing entrepreneurial workshops for dislocated workers. Community Development Block Grant funds have been used in the state to provide OJT/CRT opportunities with new and expanding industries. In addition, JTPA pays for a staff position in Economic Development to visit with prospective companies on the benefits of utilizing JTPA (150 jobs were developed as a result of these efforts last year).

JOB SERVICE: We used a portion of the discretionary funds to increase the number of rural employment service offices in the state by 10. These offices are in small rural communities and are staffed by local individuals at a fee of $75 or $100 per month to do job development and labor exchange functions. RES offices enable us to provide services to remote rural communities.

AGING: We have worked with Department on Aging to do outreach and recruitment of older dislocated farmers and to develop a special home health care training program to utilize older workers helping other elderly citizens in rural communities.

The pilot targeted older workers on a priority basis. Half of the class was over age 55 and the other half were ADC recipients, food stamp recipients, other income eligibles, and dislocated workers.

SERVICE FOR FARMERS WHO WILL STAY IN FARMING: The Greater Nebraska Program works in conjunction with other agencies to provide programs to farmers who will stay in farming but are experiencing financial difficulties. The financial assessment program funded by Community College has been very well received by banks and farmers and scholarships are provided to attend Farm Ranch Management Course. Some Community Colleges have set up computerized programs on available equipment and manpower, a cooperative to save farmers dollars.

Senator GRASSLEY. Thank you We appreciate that.

Mr. Ingram.

Mr. INGRAM. Senator Grassley, I am deputy director of employment and training for the Kansas Department of Human Resources, and serve at the pleasure of Governor John Carlin and the secretary of our department, Larry Wolgast. I bring you greetings from them.

I am pleased to have this opportunity to present to you the following information concerning the activities, problems and needs with the Job Training Partnership Act in Kansas as it relates to serving farmers in our State who are in economic trouble.

I have also brought for your information copies of testimony delivered by our State in Washington, DC on March 11, 1986, to the Senate Subcommittee on Employment and Productivity, Committee on Labor and Human Resources. This testimony reflects our positions on certain amendments to the total Job Training Partnership Act. I will limit my discussion on the Act's relationship to farmers.

Senator Grassley, the plight of the farmer in Kansas is no different than a great number of farmers across the Nation. We have compared facts and figures with other States and it is interesting that the percentage of problems are very similar. According to a survey conducted by our Crop and Livestock Reporting Service this year, and confirmed by Kansas State University economists, we are estimating that we will lose 5,000 farms out of a total of 72,000. This will result in total expected worker displacement of 10,000 to 15,000 Kansans over the next 12 months. This loss is expected to continue for at least 5 years. Ultimately, over 200,000 total family members, or approximately 20 percent of the rural Kansas population, are anticipated to be displaced by 1991.

Consequently, you can understand why we are committed to providing services to this very important sector in our society. I will not spend more time on the human problems. they are there and being addressed every day around us. The newspaper stories seem to be alarmingly true.

In Kansas we have five service delivery areas which administer the Title IIA and B Programs. The Title III Program is administered by the State and is delivered by the State with cooperation from the service delivery areas. The State Dislocated Worker Program has three modes of operation. The first mode is a rapid response model, or early intervention. A coalition of service providers was established to assist laidoff workers due to plant or facility closings. This coalition is called K-PACT, an acronym for Kansas pre-layoff assistance coordination team. K-PACT is comprised of three units within the department of human resources, which is the employment and training made up of JTPA and job service and unemployment insurance. In addition, on that team are the departments of social and rehabilitation services, education department and economic development.

Coordination is also established with State or local agencies, SDA's and PIC's, private-sector companies, organized business groups, organized labor, and local committees.

The second mode of operation is with State and SDA joint project development. These are projects which are contracted by the SDA from the State formula money and are to be used for a specific program in those areas.

The third mode is the outside proposals, or RFP's. These are projects contracted with companies, labor organizations, or other community-based organizations from State formula money for specific needs that are to be addressed. Also included in this category are special projects contracted with discretionary money from the department of labor. At the present time Kansas has programs in the aircraft industry, tire manufacturing, rural workers, and as of this week, we have a program for farmers.

Although Kansas did not experience a significant number of plant closings at the same time as the rest of the Nation, in early 1985 significant plant or facility closings did begin to occur, and by the end of 1985 62 plant closings were reported throughout the State. 1986 has already seen 32 facility closings. Consequently, we are experiencing an economic downturn in the Kansas economy as it pertains to the availability of jobs for Kansas workers. Unemployment has been increasing in our State in this last year up to 6.5 percent in February, and we have several areas in the State with unemployment at 15 percent or over, having doubled in 1 year's time. With problems in the oil and gas industry, these rates may rise dramatically.

I mention this information to indicate two realities. Our program's expenditures are burdened by the problems already existing with displaced workers in our State. Also, where will we find jobs for the people that are in our programs?

The challenge facing job training professionals in rural America is a serious one. There are many problems to overcome above those already mentioned. Some of these challenges include the following:

Long distances between towns, sparse populations, small and limited labor markets, need for accessible service offices, lack of access to supportive services, need for enhanced job creation and economic linkages, need for effective marketing strategies, and need for understanding relating to special characteristics of farmer population.

We must also consider the following realities: The restraints and cutbacks on funding. Not only is there not enough services to go around, there are fewer persons available to deliver those services. Just as we are beginning to build our program to a workable level, we will have to cut back.

If we have to rely on Federal discretionary dollars in the future, our whole program is in jeopardy because of the bureaucratic nightmares of starting up short-term programs for quick fixes after the fact.

We must relate to the psychological needs of displaced farmers. In order to get jobs, they must be job-ready. This may include an array of counseling services to the extent that other training programs are not accustomed to and the U.S. Department of Labor does not seem to be comfortable with.

We must understand that this problem is going to be with us for a while, and it is not going to be fixed in a short time.

We most be able to help farmers before they actually lose the farm. We have found that prelayoff assistance is helpful in the manufacturing industry. I am sure it would be beneficial in this situation also.

We must allow States to change JTPA title II income eligibility determination to reflect an actual full year's income or 6 months' income, whichever is to the advantage of the farmer seeking services. This would enable the rural population to be more accessible to the Title II Program.

We also must understand that farmers do not receive unemployment insurance, and this makes attending training programs difficult.

On December 20, 1985, Kansas Governor John Carlin submitted a proposal to Secretary of Labor William Brock requesting $2.8 million in discretionary money to assist farmers displaced due to the agricultural crisis in Kansas. Additional information concerning retraining was requested twice from the Department of Labor and submitted in February and March Finally, on April 3, 1986, Governor John Carlin received written notification from the Department of Labor advising of a $1 million award to begin a dislocated farmer project as of 6 days earlier, March 27.

The original intent of the proposal was to serve 1,600 Kansas individuals displaced from agriculture for a program year beginning April 1, 1986, and ending March 31, 1987. With the substantial reduction in requested funds, the program will now serve approximately 500 individuals with a 2-month delay in startup date. Services to be provided through this program will include the following areas: Financial and legal counseling; job search club; on-the-job-training; classroom training; customized training; entrepreneurial training; and supportive services, such as transportation, child care, weekly needs-based allowance, relocation assistance and psychological counseling.

A strong outreach and recruitment network has been developed between the Kansas Department of Human Resources, the Kansas State University Cooperative Extension Service and the Farmers Assistance, Counseling and Training Service.

The Kansas dislocated farmer project will have access to 105 State extension offices, all of which house audiovisual VCR equipment and meeting rooms.

The work-oriented rural Kansas project is a consortium of seven community colleges and vo-tech schools which provide retraining to displaced rural workers. The project, which is due to end June 30, 1986, extends across 35 counties in southwest and south central Kansas.

Our State legislature is truly trying to address solutions which will help in this farm crisis. However, that is very difficult to do at a time when tax revenues are already so low and they are having to find new resources for existing programs. Even with new and increased taxes this will be difficult.

I want to thank you for the opportunity to express our concerns and I hope this information can be used to promote the interest of entities in Washington, DC, to continue the search for solutions to a very basic problem for people and a nation as a whole.

The characteristics of independence of the farmer is basic to the spirit of independence as a nation.

Thank you.

Senator GRASSLEY. Thank you

My questions will be directed to the panel, so it is a case of wanting a response from all of you. But if somebody else has answered for you, I do not suppose there is any sense in repeating it. So I will let you use your own judgment on that.

I would like to ask, first of all, from your experience can you say that there are substantial differences in serving rural and urban populations, either in terms of the kinds of people who are served or their needs?

Ms. ANDERSON. I would state that I do not believe that there is any difference in the needs of the participants. There is a difference in the delivery mechanism for programs. As I mentioned in my comments, our staff usually have to travel an hour to 2 hours to see a client in a rural area of our State, and I think for that reason our programs have to be delivered differently, let us say. In a metro area you may be able to go in one day and be able to assist, be able to travel across town and investigate a job opportunity, and go to a community college, all in one setting. And that is not the case in rural areas.

I do not think it is participant differences, but delivery differences.

Mr. SMITH. I would just like to add, Senator, I think one of the biggest problems that we face in rural areas is in this area of identification and outreach. In a city like Des Moines there are several agencies and institutions. There is a support structure there to work with participants—low-income participants, handicapped, or any other group needing special help. When you go into the rural landscapes, those institutions are not there. A lot of these people are forgotten about or never identified. They are unlikely to identify themselves. And we are seeing that a lot now, with the farm situation.

We have run into situations in Iowa where people are out there who do not even have soap in their homes, but they have been reluctant to ask for any kind of assistance. Like what Steve said in his comments, perhaps the spirit of independence is carried too far, to a point where they are hurting themselves.

So I think that is one of the big problems in rural areas. It is just to identify participants, intervene, and help them

I think that in this particular program it would be helpful if we had stronger outreach services that could do more in that area.

Mr. Ingram If I were to say that there was a difference, I would not be disagreeing with Ms. Anderson, but I think it would only be in semantics.

I think, like what Phil is saying, that there is a difference between the participants, in the sense of where they are coming from. Many persons that we work with, in the manufacturing industries, for instance, are used to some kind of training programs, used to unemployment insurance benefits, or visiting job service offices, for instance. This is a completely new world to farmers.

So I think the difference is from the backgrounds and where they are coming from.

Senator GRASSLEY. One of the requirements of the act is that the job training partnership activities be coordinated with economic development efforts. So I am curious to know how this is working in your States, and how is such coordination being achieved, and are you finding that the Job Training Partnership Act activities and economic development activities in your States augment each other?

Mr. SMITH. Perhaps I could start with that one.

As you know, the State of Iowa is right now going through a significant reorganization of State government, and one of the pieces within that reorganization is that job training programs will be incorporated into the new Department of economic development. Obviously, we feel that there are a lot of areas where job training does contribute to economic development, not only in the sense of providing a skilled labor force, but in providing labor services, financial assistance, and so forth. All of these are features of JTPA.

I think also we should think about the coordination features that JTPA has with economic development. While we may not be an economic development program—and I do not think we are—I think there are a lot of features that will lend themselves nicely to coordinating with economic development issues.

At the State level, for example, we are going to put an increased emphasis on developing entrepreneurial training programs. Most jobs are created not from the Fortune 500. In fact, I heard that the Fortune 500 companies have not created any net new jobs in this country, probably, for the last 5 years. New jobs are being created by small business. And we feel that that is where we can really help individuals in initiating new businesses, in providing not only initial type training, but perhaps carry on technical assistance and followup, and then linking those with financial programs such as the one that you were involved with in the farm bill this year, trying to tie job training and finance programs together.

I think there are lots of networks there, and I do not see that there are any barriers in JTPA to prevent that from happening. I think it is a question of will the States take the initiative? Will the private industry councils take the initiative? And will we have the resources within JTPA to do it?

But I think that the means certainly is there, and I hope we see more of that in Iowa in the future.

Ms. ANDERSON. I would say that in our State it is a very viable tool. We have a liaison person on the Department of economic development that is paid for out of job training funds.

I would say that, you know, we have used it in terms of assistance to expanding businesses as well as new businesses coming into the State, and certainly it is becoming a very popular bargaining chip between States.

Unfortunately, I think that we may be placing too much emphasis on JTPA as an economic development tool. We have found in our experience that we can only provide probably 40 percent of the labor force the employer is looking for. So if you tie all of your JTPA dollars to economic development purposes, in hopes of bringing in a business, you sometimes may sell the program too much, in that when the company actually comes and if they are counting on the training dollars being totally provided by the Job Training Partnership Act, they will find that the restrictions mean that they are only really providing, in our State, approximately 40 percent of the labor force that they are looking for.

I would say it is a vital tool, and we would certainly like to see it used more. We would like to see some more leeway in using the employment generating services under the Job Training Partnership Act, but as a whole, we think our focus is still job training programs, and our concentration should be on making certain that people are receiving valuable training opportunities, and not simply as a bargaining chip to bring a business into the State.

Mr. INGRAM. The thing I would add about Kansas is that we have a setup in our rapid response team where we are involving economic development. One of the problems has been in coordinating services. There has been a reluctance by economic development to tie themselves to all the regulations that are tied to the JTPA and the kind of participants in our programs.

In order to try to alleviate that problem we have been, or we plan to follow Nebraska's lead in the sense of hiring a liaison person between our department and economic development that will be able to coordinate more of those kinds of opportunities for employment of our persons.

I would agree with Nebraska, in that we do not—I would be afraid of our people being used as a tool or as a ploy in trying to bring new business in. However, we need the new economic development in order to find jobs for our persons. We do not really have them presently in the present structure in Kansas.

Also, another area we are beginning to look at and would hope to have some success, except that we are looking at very small successes building into bigger ones, is entreprenurial training.

Senator GRASSLEY. One of the things that we hope to accomplish through the act is to train people not just for the jobs that they will go out and get right now and tomorrow, but for jobs that will exist in the future. How is that goal being accomplished in each of your States?

Mr. SMITH. I think, Senator, that one of the areas where this is important is that if we are to prepare workers for tomorrow—and every indication is that people change jobs maybe five to seven times during the course of a lifetime, their working life—in order to do that, they need basic skills, education; they need to learn how to learn.

I think one of the features under the Job Training Partnership Act that is very important is our ability to serve youth. We have very high dropout rates in some areas of this State, much higher than what we have had in the past. This is true in other States as well. And if those people are going to have a viable part in the labor market in the future, they are going to have to have those basic educational skills. We are going to have to find a way to reach them to bring them back into the educational system, either traditionally or nontraditionally, and give them the ability to pick up these new skills.

There is nothing that we can do right now to train people for the jobs that are going to be around 5 years from now. Things change so quickly. But what we can do is set a good structure to support ongoing education, continuing education, adult education, and I think that when looking at our community colleges—and we have representatives here today from the community colleges—that they are going to play a vital role in this process, too. It is not going to be just your 18- to 21-year-old student anymore; it is going to be 18- to 70-year-old students.

So providing that kind of structure, I think the Job Training Partnership Act contributes to that very much.

Senator **Grassley**. Could it be that the directive of the statute is not very realistic, then? Because if that is what you are saying, then I think we ought to consider that. Maybe you are saying it is not worth the resources being put into that. Assuming that as long as it is in the act, and knowing how our regulations work, there must be some pressure to do some of that.

Mr. **Smith**. I think that some of the training that we do, we obviously do a lot of job-specific training right now, but I think that those of us who are familiar with the labor market are realistic enough to know that that person is probably not going to hold that job for the rest of their life.

And so more importantly, I think, it is the long-term things that we need to look at, too, instilling in a person the desire to learn, an awareness.

Most people, with their skills, they don't look at them as commodities. When you graduated from high school and got a job at John Deere or Firestone, you were set for life. Well, we know that is not true now. And some people have not taken care to upgrade their skills and treat it like a valued product.

I think we need to do more of that, you know, making people aware, because I don't think the Government is going to be able to do it for everybody. We can provide the opportunity, and that is what I think we need to worry about. But people have got to take that initiative themselves, to realize that they have got a skill and they have to keep it. An engineer, for example. We obviously do not train engineers, but they figure an engineer that graduates from Iowa State University this spring, that person's skills will be good for about 2 years, and then everything that they will have learned will have been reinvented and expanded, and new technologies will have taken over.

So retraining is an important part for that profession. But there are other professions where it is just as important. So I think that is one area for the future.

Ms. **Anderson**. I would like to follow up on that comment. I would agree with Phil. I think the basics are real important for us to give our clients for entry-level jobs. I think the labor market is the place that will demand the skills that are needed, and certainly your emphasis in making certain that we do as much on-the-job training as possible and involve our private industry council has meant that we are training for those jobs our local businesses say are available.

In a depressed ag economy like Nebraska's, one job can be called a demand occupation. One opening is a demand job for the future.

The need for upgrading is real important, it was a program which was really cut out of job training, and I think it is a very viable training option for the future. I agree with Phil; people will have to be retrained, jobs will constantly change, and our ability to place our participants in businesses needs to be enhanced.

When a business has the opportunity to take an existing employee, upgrade them in a position in their company, and refill the entry-level job, with a JTPA eligible, you get that constant cycle of education. You work with community colleges, I think, to continue to improve the skills of the labor force.

Mr. INGRAM. I agree totally with what has been said. I would like to add one instance of a problem—a success and a problem at the same time, that we have experienced in Kansas. I think that our act needs to work with businesses and be understanding of the problems that that particular program with that business might encounter as you try to upgrade the skills or to develop skills for the future with that particular industry.

An example is we have a program with the Beech Corp. in the aircraft industry. They were the leaders in one particular kind of technology and they are selling that technology to other aircraft industries. The training program that we developed with them would train persons that would be laid off in the future from the old way of doing a particular job into the new way. The success of that program depended on the selling of an airplane. And so as the salesman is out there trying to sell the airplane, it doesn't quite get done as fast, and we are not able to employ or put through as many persons into the new training as we had expected in the amount of time we had. For instance, we will be asking for an extension to our program, even though we were hoping that it would have been finished, and so forth, at this time. The technology is good, the training is good; it is just that things were not able to happen in the way that we wanted and with the speed that we wanted them.

I guess what I am saying is that we would need to be careful how we would grade or judge some of the programs. We would have to look at the total program.

Senator GRASSLEY. One of the act's emphasis is on coordination, both at the State and local level. The annual Governors coordination and special services plan, for example, must establish criteria for coordinating the act's activities with a wide range of other agencies that have direct interest in employment, training, and human resource utilization.

So I would be interested in your thoughts on coordination. How is it taking place? What benefits are you seeing? And what are some issues and problems?

Mr. SMITH. I think we have laid a good foundation for coordination of job training programs with other activities in the State of Iowa. As I indicated earlier, we are going to be tying in very closely with economic development activities, and I expect that we will see a lot greater coordination there

We have been working very closely with the Department of Human Services in coordination with the WIN Program and some State-funded programs that they have. We have agreements with Job Service and the Department of Public Instruction as well.

I think one of the problems that we run into in coordination is that while we may have some requirements to coordinate our activities, those we are required to coordinate with have no similar requirement. So it is key that we have something to negotiate with. For example, under section 123 of the act, 8 percent of the money appropriated for title II is set aside for education grants and coordination, so we are required to put 8 percent of our JTPA money into education, vocational education. But there is no requirement in the Carl Perkins Act for them to put 8 percent of their money into the JTPA system.

So there are things like that, that if we really want to do coordination, I think it has to be something that is done federally, done at the State level and, most importantly probably, at the local level, because that is where it is really done and gets out to the participant.

Senator Quayle has proposed an amendment to establish a job training board, I believe, of some sort, in Washington which would combine some of the activities. I think that conceptually that is a good idea. But having been an observer of how some of this stuff is done in Washington, I would be somewhat suspicious that it would actually come about.

I would be concerned, I guess, in terms of what the long-range impact of that is, and if I were to take a negative interpretation of this—and I haven't really formed an opinion yet on this, Senator—but one could argue that on that particular approach all it means is that you're trying to take vocational education money, Wagner-Puyser money, and job training money and lump it together and send it out to the States, and then cut it.

And there is a fear of that in the states, because all of these programs that have been established, a lot of them are Federal initiatives, and at the encouragement of States, but then if they all come back into the States and then that Federal support is cut off, you know, a State like Iowa simply doesn't have the resources to continue that.

So there is some suspicion there. I think conceptually it is a great idea, at least to get this coordination. But I think that is something that we have to be very cautious about, and we would have to work on developing some long-range goals. And what do we really want to do in the area of coordination, and what is the future of the employment/training/vocational education system going to look like in the year 2000? Those sorts of things need to be examined.

Senator GRASSLEY. Ms. Anderson.

Ms. ANDERSON. I think coordination is certainly the key to the success of Nebraska's programs. I think that where you need the teeth is at the local level, in terms of real coordination cooperation.

But the other teeth that a lot of times are missing are the teeth within the coordination of the funding sources. For example, the two programs that I talked about today, the Trade Adjustment Assistance Act and the Federal farm bill, although they both have provisions in their programs for employment and training, it takes real research work on the part of entities like ourselves, to learn what other resources are available.

I think the Federal Government has the ability to sometimes recognize individual areas of expertise and the overlap between the Carl Perkins Act and several of the others who are also doing employment and training is just not as clean as it could be in regard to funding.

If cooperation is not going to happen, and if you are going to have to force it, probably the best thing that will force it is funding.

I would also say that as the dollars get fewer and fewer for us, we are turning to those programs which have some employment and training activities, and that increases coordination. Maybe that is Washington's method to the madness.

But if that funding issue cold be looked at, I think that would certainly increase coordination at the local level.

Senator GRASSLEY. I had a follow-up question, and I think you just answered it, that you think more needs to be done at the national level, to improve coordination.

Ms. ANDERSON. I believe that it does, particularly between agencies. If we look at the agriculture problem, I would certainlv like to see the U.S. Department of Agriculture, the Department of Education—I think that there is much that could be done if there were committees developed around specific issues that go across the board of those agencies.

Senator GRASSLEY. Mr. Ingram.

Mr. INGRAM. I would agree with what has been said.

Senator GRASSLEY. I have a question just for Phil Smith.

It is my understanding that Iowa recently received a ruling from the Department of Labor that will allow you to look at gross business receipts and expenses over a 12-month period for the purpose of determining eligibility for the act. Why was this done, and what impact do you think it will have?

Mr. SMITH. The problem that we were running into with this was that under the act a person's income for determining eligibility is based upon the previous 6 months. When you are dealing with a self-employed person, and particularly a farmer, that income is sporadic. You may sell your corn in 1 month and have a large income there, but then your liabilities are paid off 7 months later, or something like that. So it is really hard to factor in an income for a self-employed person and get a true picture for a year.

So that part of the act has caused us some problems with the Department of Labor. We put a question to the Department of Labor about this, on how to compute family income for a self-employed person, and we were able to use that methodology to allow us to use a 12-month period to compute family income.

Senator GRASSLEY. Would you expect this ruling is going to make it possible to intervene earlier in cases where the farm families need supplemental income?

Mr. SMITH. If they qualify as a low-income person, and if they are willing to participate in the program, it should help us in an earlier intervention.

One of the problems that we have had in early intervention is that a lot of people are not ready for it. Their No. 1 objective in their life—and rightfully so—is to maintain their farm. They do not want to become a machinist, or they do not want to go into retail sales. They want to farm. That has been their goal since they were a child. Their parents farmed and their grandparents farmed. And so you have that which has to be worked through. And it is not something that you can just walk into an office on a Friday afternoon and work out. You know that, because you have talked to thousands of them over the years.

You would have to equate it to the grief process. It is going to take maybe 2 years to fully recover from a death or a divorce or some other traumatic event. And this is similar You are losing more than a job.

So I guess when we talk about earlier intervention, it would be helpful, I think, if we could start working with people maybe a year before they actually leave farming, and just start working through the decisionmaking process, so that they could come to accept it, and know that there is life after farming, and a good life after farming.

But the problem a lot of people have—and here we are getting more at the mental and the emotional part of it rather than the actual skills part of it—is that they just cannot see beyond it. You know, "if I lose this farm, what am I going to do? What is going to happen to my family?"

Somehow, through coordination with mental health services, church groups and other groups, I think that is where we have got to focus more energy. I see that as something the State has really got to take the lead in, and we need help.

Ms. Anderson. I just would like to comment. I have one fear, I guess, about the funding right now for these agriculture in transition programs, and that is that most of what is being done at a national level is to fund these on discretionary projects. My fear is that the grieving process that Phil talked about is so long, and the grants that we get are for a 1-year period of time, that the Federal Government will evaluate these programs as a failure because in many cases the farmers do not enroll as quickly as we hope that they will.

Again, my fear is that since that process is so long, the Federal Government will take those funds away, or will try to deal with the problem on a discretionary level rather than recognizing that possibly the IIA funds are a better way to serve those farmers. For instance, in our State, 97 percent of our IIA allocation was expended last year. So we are going to add another population to those already limited dollar resources. And the problem is that although we may think it is a better program, there are just not funds available to deal with the problem.

Senator Grassley. Are each of you receiving adequate guidance and cooperation from the Department of Labor? Is it a case of too much guidance and too little cooperation?

Also, this gives you an opportunity, too, if you want to direct any specific suggestions at me, either for my benefit or to take back to the committee, I would be glad to receive those.

Mr. Smith. I am really glad you asked that question.

We, of course, have had some experience here in the State with the Comprehensive Employment Training Act in dealing with an overly-structured program. And as you were involved in the transition from CETA to JTPA, you are very well aware of that.

But the problem that we ran into during that transitional period is that it was like a difference between night and day, and the Department of Labor was not being over-proscriptive, but they were not answering any questions—period. Therefore, there were a lot of inconsistencies that were developing throughout the country, how States were interpreting things, doing things, and so forth. This added a lot of flexibility to the States, but it became somewhat—right now they are starting to feel the experience—they don't know how to develop a reporting system that is going to make any sense to Congress, because it is hard to give Congress figures on actually what is happening on this. And you have probably seen some of this, or your staff has, on some of the reports they are getting.

So the Department of Labor is starting to become a more active partner in this whole process now, and I think that is good. I have had a chance to meet with Assistant Secretary Semerad three times on the farm problem, and I think this is an individual who truly believes in employment training and wants to build a good system throughout the country. He agreed to appoint this task force or the support group for looking at the farm situation. I think that is a good sign.

But I think there is still room for a lot of growth. I think that attitudinally they are starting to come into the system now and they want to be an active, contributive partner, and I like that. We have given them a number of criticisms on compliance matters. When they first came out, you know, they were talking about "This is a new form of revenue sharing, and we have all this flexibility in the program." And, of course, we were telling this to our Private Industry Councils, and of course these people believed us and believed the legislation, but at the same time they came in with 19 compliance review guides, each of them probably 25 to 50 pages thick, and we were getting dual messages there.

But that is being worked out. That is being worked out with the Department of Labor

So I am very encouraged with the new leadership in the Department of Labor, and they have been supportive of our efforts here in the Midwest, and I hope that atmosphere will continue.

I would have to say that we appreciate the flexibility within the job training system, ad we appreciate the fact that the Federal Government is not so regulatory in nature.

I guess that as I see them moving toward more of an advocacy agency, I wish that they would sometimes share our excitement and enthusiasm for innovative projects and move more toward assisting us to develop new ways to address programs in terms of research and in terms of evaluating current regulations, rather than to simply deal so much with compliance. I do see a change in attitude to some degree. Toward that, I think that it has been a difficult transition for them to maybe come from being regulatory to more of an advocacy agency, but I still think we can strive for more.

Mr. INGRAM. I agree with Phil, in that I think that they are listening more, and I hope that things will get better as we go along.

I would like to share the experience that I had with our proposal in asking to help farmers this last go-around. What I find when I talk with persons from the Department of Labor, but I also find it from persons in our State legislature, since this is a retraining program they want to know, "What are you going to retrain them for, and where are you going to train them at?" And that is the only thing that they seem to have on their mind, is retraining.

I understand their concerns, and I understand that they are interested in placement and meeting certain compliance requirements.

But, for instance, in order for us to do something on the local level and actually to accomplish a task, we need to come up with innovative ideas, like Ms. Anderson is saying, and we need someone in Washington that is willing to take a chance with us and be interested in that.

In our program we tried to instigate several things that other programs had not said before that they would do. Entrepreneurial training is one of those areas. We don't know enough about it. We are going to learn more. We are going to try. We are going to make mistakes. But what I got from the Department of Labor was, "We are really not interested in that kind of thing. Do you really have to have it in your program?"

The other thing is we feel like farmers, for instance, have to have even a little bit more counseling than others—manufacturing displaced workers, for instance. So we have an array of counseling services in our program. This was another area that the Department of Labor felt uncomfortable with and did not understand why we would need that kind of services in our program.

Another situation was in the way that we developed our job clubs, which would be support groups, which would be more than just going out and obtaining the job.

These are all things that we need to make sure that the Department of Labor is flexible on in understanding what we can do at the local level, and help us do some innovative things.

Senator GRASSLEY. I am done with my questioning now. Thank you for your participation. I welcome you to stay and hear our people from Iowa, if you desire to do so, although I am appreciative of any tight schedules you might have.

Our second panel is composed of people who are involved with the act's administration at the local level. Since there are seven people, I would ask that four of you from Service Delivery Area IX come and take your place at the table first.

We are pleased to have with us Ed Stoessel, director of human resources at Eastern Iowa Community College, which is a grant recipient in Service Area IX.

Patrick Madden, a member of the Private Industry Council.

Cathy Andrews, associate director.

Larry McMurray, a specialist in employment who works with dislocated farmers.

Would you come up, and I ask you to proceed the same way the other panel did, in the way that I introduced you.

STATEMENT OF EDWARD E. STOESSEL, DIRECTOR OF HUMAN RESOURCES, EASTERN IOWA COMMUNITY COLLEGE DISTRICT; PATRICK MADDEN, CHAIRMAN, PRIVATE INDUSTRY COUNCIL, SERVICE DELIVERY AREA IX; CATHY ANDREWS, ASSOCIATE DIRECTOR, JOB TRAINING PROGRAMS, EASTERN IOWA COMMUNITY COLLEGE DISTRICT; AND LARRY McMURRAY, EMPLOYMENT SPECIALIST, TITLE III DISLOCATED WORKER PROGRAM

Mr. STOESSEL. Senator Grassley and staff, my name is Ed Stoessel. My title is director of human resources for the Eastern Iowa Community College District. My area of responsibility encompasses not only the traditional personnel functions, but I also serve as coordinator of the area planning council, which is responsible to provide long-range vocational education planning for 24 local school districts, the Area Education Agency and the community college in eastern Iowa. In addition, I am the liaison between the administrative entity, Eastern Iowa Community College District, and the JTPA Program. The director of the JTPA Program in Service Delivery Area 9 reports to the college through me.

I intend to focus my comments this morning on emphasizing the unique contribution which a community college can make when it serves as the administrative entity for the JTPA Program. Following these comments I will offer some recommendations designed to insure that the relationship between the community colleges and JTPA Programs remains positive and productive.

In Iowa, 8 of the 16 JTPA Service Delivery Areas are administered through the community college in that area. There are some very good reasons this close relationship between JTPA and the community colleges exists.

JTPA serves both the interests of its clients seeking employment and training, and the interests of business. Both of these groups operate in an environment where there are an array of services available to them. A business, when it looks for employment, training, and/or expansion assistance, would be dealing with programs such as the following:

Small business development centers, which provide one-to-one counseling for small business owners at no charge.

House file 623, which was created by State law to allow community colleges to work with new or expanding businesses to increase productivity and profitability.

House file 766 also created by State law and similar to house file 623, but different in its funding approach.

New and Expanding Business and Industry Training Program, funded through the Carl Perkins Act.

The Job Training Partnership Act Program.

In our area the community college administers all of these programs. In addition, the leadership of our college is actively involved in general economic development issues throughout our area and throughout the State.

These are the services and programs which can be combined with the Job Training Partnership Act to make a difference in the business climate of a community. The Job Training Partnership Act, when administered by a community college active in these areas, complements and supports these other programs and, in turn, is complemented and supported by these programs.

In our institution the effort to coordinate these services is spearheaded by an office entitled the "Eastern Iowa Business and Industry Center." The community college is in a unique position to orchestrate various programs for the benefit of business and industry, and for the benefit of individuals living in our community.

A chief executive officer looking at expanding a business has a number of priorities that must occupy their time. These may include site selection, construction, expansion of product line, financing, and so on. In short, it is a difficult time for them to explore in any depth the support available through the programs listed earlier. The community college plays a key role at this point. Through its expertise it can blend these various programs to produce a customized package of services to business.

By combining moneys from NEBIT, house file 623, house file 766 and the Joint Partnership Training Act, we have in our area attracted new businesses and assisted other businesses to expand. When this happens, the business wins, JTPA participants win, and the community wins. When you have the capability and expertise to blend these programs, the whole becomes greater than the sum of the parts. No one of these programs would have attracted the business. Blended together, it is an attractive package that expands the effectiveness and efficiency of each individual program.

The community college is uniquely positioned to find the programs that will work for the company. We facilitate these programs to work together as they should.

I do want to emphasize that in a lot of cases the community college may not be the provider of the actual service, but it can orchestrate the process. In the case of JTPA services the PIC and staff are free to take from the community college services they can use, or go elsewhere for the services needed.

That is the business side.

On the client side, the primary job of the community college is education and training. We know the needs of vocational students, nontraditional students, and disadvantaged students unlike no other educational system. State law in Iowa mandates 10 areas of responsibility for the community college. Let me read you 9 of those 10. See if our mission parallels the mission of the Job Training Partnership Act:

One vocational and technical training; two, programs for in-service training and retraining of workers; three, programs for high school completion for students of post-high school age; four, programs for all students of high school age who may best serve themselves by enrolling for vocational and technical training while also enrolled in a local high school; five, student personnel services; six, community services; seven, vocational education for persons who have academic, socioeconomic, or other handicaps which prevent succeeding in regular vocational education programs; eight, training, retraining, and all necessary preparation for productive employment of all citizens; and nine, vocational and technical training for all persons who are not enrolled in a high school and who have not completed high school.

We know the Job Training Partnership Act client. The mandates for the community college and for the Job Training Partnership Act are similar.

In addition, as the administrative entity the community college has the advantage of existing facilities, accounting systems, payroll systems, personnel policies, management expertise and perhaps most importantly, like JTPA, it also is controlled and directed by a local board of directors.

Let me move into the final section, which is that of recommendations.

This first recommendation is, in my estimation, the most important. The Job Training Partnership Act works. Please keep it available, and do not change its basic character as a locally directed effort with local control and decisionmaking.

A second recommendation is to be diligent not to impose additional administrative requirements on the program without corresponding funding for any additional administrative requirements.

A third recommendation is to look closely at the Dislocated Worker Program and target funds to where the need is. Many States are participating in a major economic recovery, but not Iowa. In our case a 39-percent cut in dislocated worker funds for Eastern Iowa does not make sense at a time when our agriculture-related industrial base continues to erode.

A final and more technical recommendation is to examine closely the system for granting incentive funds for meeting or exceeding performance standards. As an example, in Iowa you must terminate a client 90 days after the last activity with the client. If they are not employed, this is a negative termination. I am aware of a State where clients are continued for 2 years or more, with only minimal contact with the JTPA Program. Obviously, under those rules that State will have a higher positive termination rate.

Because of these looser interpretations in some States, the national averages for placement have moved significantly higher. I support the rules for determining termination of a client in Iowa, and would recommend they be adopted nationwide, so that all States would be playing on a level playing field.

I am a strong supporter of the Job Training Partnership Act Program and of the community college participation in those programs. I appreciate the opportunity to address you today.

Mr. MADDEN. Senator, my name is Patrick Madden. I am an attorney with the law firm of Stanley, Lande, Coulter and Pearce in Muscatine, IA. I have served as a private sector representative on the Service Delivery IX Private Industry Council for nearly 3 years. For the first 2 years, I served as the chairman of the council.

I would like to begin by thanking you, Senator Grassley, and the members of your staff for making this hearing on the Job Training Partnership Act possible. The fact that you have returned to Iowa to hear from the Governor's staff, local elected officials, Private Industry Council members, and local JTPA staff demonstrates your interest in this program and its impact on the needs of Iowans.

As a member of the Private Industry Council in Area IX, I serve with 23 other individuals representing business, labor, education, and community services. The local elected officials of Cedar, Clinton, Jackson, Muscatine, and Scott Counties have given the Private Industry Council the primary responsibility for policymaking and review of the JTPA Program. The council, which is referred to as the PIC, in turn, hired the Eastern Iowa Community College District to administer the program according to our policies. A review of some of these policies will help to underscore the six recommendations I would like to share with you today.

No. 1. Maintain local control with strong business input through the Private Industry Council. Preserving local control where it exists, and encouraging it where it does not exist, can improve the ability of the JTPA Program to respond to local needs and opportunities. Excessive adminstrative burdens should be avoided, as these discourage good local organizations from becoming involved in JTPA. Likewise, these excessive requirements will take all of the meaning out of serving on a Private Industry Council for many of us.

No. 2. Avoid wasteful duplication among agencies serving the unemployed. One of my biggest concerns is that there is still too much duplication of services in the employment and training field. Local Private Industry Councils can prevent any new duplication of services by local programs seeking JTPA funds from the PIC. However, much duplication occurs because of inadequate planning and control at the Federal level. For example, Job Service, JTPA, the Job Corps, and the WIN Programs all interact with employers and the unemployed. Each has its own unique application forms, eligibility requirements and procedures.

I recommend the establishment of pilot programs in local areas which truly combine the funding and resources of these and other employment and training related programs. If these demonstration sites prove to be more effective and less expensive, this approach should be tried throughout the country.

No. 3. Develop a clear understanding of the main purpose of JTPA and stick to that purpose. JTPA works best when it focuses its resources on the problems it was established to address. The urge to use JTPA to solve all of society's problems must be resisted. For example, it should not be the job of JTPA Programs to remedy the basic education deficiencies of youth who are still in school. This is the school's job, not ours. We have neither the resources nor the time to take on this task, as important as it may be.

No. 4. Establish a meaningful and uniform way to evaluate JTPA Programs and reward the good ones and delete the bad ones. Without uniform, meaningful reporting and standard termination procedures, it is impossible for Private Industry Councils to evaluate local JTPA Programs effectively. National data for comparisons of programs and trend analysis are also deficient because of these reporting inconsistencies. When some areas can wait an inordinately long period of time to terminate a person, we should not be surprised that their performance numbers are high. They simply wait until the person finds a job and then take the credit, even when such credit is not due. Incentive awards should be given only to programs which really perform well.

No. 5. Coordinate JTPA with other economic development activities to get the most mileage for the dollars invested. Because JTPA's resources are limited, it is critical that these resources be combined with others to meet the needs of area employers. Mr. Stoessel's testimony details the Eastern Iowa Community College's very successful efforts in this area. Congress should encourage this type of teamwork.

No. 6. Remember that the program is supposed to serve private employers as well as the unemployed. While I am not recommending any specific changes in this regard, I want to point out that the success of JTPA in serving the unemployed is directly related to its ability to serve private employers. To serve private employers well, we must do the following:

Market the program so employers know what JTPA can do for them;

Listen to and respond to employers' needs;

Keep the program simple and customer-oriented.

Any changes in JTPA must be made with the interests and needs of private employers in mind.

The keys to the success of the JTPA Program are local control with strong input and support from business, and coordination with other employment and training related efforts.

On behalf of the Private Industry Council, I ask that you support us in these efforts. Thank you.

Ms. ANDREWS. Senator Grassley, I would like to thank you and your staff and others present for the opportunity to discuss how JTPA works in eastern Iowa.

I am Cathy Andrews I am the Associate Director for JTPA in a five-county area in eastern Iowa. I work for Eastern Iowa Community College District, which receives and administers JTPA funds for title IIA, for IIB summer programs, for Title III Dislocated Workers Program, 8 percent Educational Linkage Programs, and the 3 percent Older Worker Programs.

The counties we serve inclde a metropolitan area which includes the Illinois and Iowa Quad Cities, several modest sized cities, many smaller towns, but also a great deal of land dedicated to farming.

Many of our largest employers, such as John Deere, Case, and Caterpillar, and many of our smaller companies, are all linked to the production of farm-related equipment and services. So if people aren't farminq in our area, their employment is almost always related to farming. When farmers have problems, we have problems.

Our economy has been plagued by major layoffs, plant and business closings. As of February 1986, the unemployment rate in the Quad Cities area was 12.7 percent, compared to a national average of 7.3 percent. In addition, many individuals have become discouraged and are no longer seeking work; thus they are not counted in the unemployment rate. As some indication, the Quad City labor force, which includes both employed and unemployed persons, has fallen by about 22,000 people from 1983 to 1985, which is an indication that they have either dropped out of the labor force or leave from our area.

Last year, in all JTPA Programs combined, we served 2,593 individuals, and at least half of those were from rural areas. They were involved in a variety of activities, such as on-the-job training, which is our major activity; classroom training was right up there with it, however. We provided basic education skills training, preemployment training, some work experience, and job search. Based on our funding level, we are about the second or third largest SDA in Iowa.

Although I will discuss the things that worked for us in JTPA, and I will make some recommendations for change, I would like to emphasize that the JTPA law has worked very well in our area and, for the most part, needs only minor adjustments.

First, I would like to discuss the things that have worked really well.

I think at the top of my list would be the Private Industry Council and employer involvement in our area has been one of the key elements in our success. Our PIC members have made good choices about the types of training to be funded; they have taken a look at the individual skill and competency levels required in the skills training programs; and, as a result, people have gotten jobs afterwards. PIC members have called us about job opportunities and business expansions that they are aware of. They have been marketing JTPA at various functions they attend, some of their clubs and their employer associations. And they have served as references to JTPA and provided contacts at companies that we would not have really gotten into before. As a part of that, they also take a real hard look at evaluating and overseeing JTPA Programs and have offered some excellent suggestions for improvement.

Private sector involvement is something I would increase, not reduce. In fact, we are going to use private sector on-the-job training as much as possible in the summer youth program. Since the employers pay 50 percent of the wages and all the benefits, an OJT costs less than half as much as a work experience job in the public sector. And since we have far more youth who apply for the program, this will help us make the funds go farther, not to mention the wide range of occupational experiences that are available in the private sector.

We are encouraging employer involvement in all phases of training. For example, our Private Industry Council recently approved a food service training program. We asked a local employer who has four restaurants to help us select applicants and to interview with us to get good candidates for the training program. Not only did the employer offer to help interview, but he also agreed to let us use their kitchen as the training site. And although the training just started several weeks ago, the employer has already asked to hire some of the graduates, and in talking to the people in training has said, "If you do a good job in this class, I will help you through my other employer contacts; at least get some interviews for you."

Another great asset of the current JTPA Program is the local decisionmaking. The local economy, local employers' needs, local applicants' needs, and local resources have all molded our JTPA Program, including decisions on the types of training provided, local policies on supportive services, and many other issues.

Our service providers have been selected and have also been evaluated based on performance in our local area. We know how well they do. We refund them if they do a good job; we do not refund them if they do not do a good job.

In addition to that, I think our local resources and community groups have a sense of ownership of JTPA, and this has helped us, for example, in donations of office furniture, office space, and other things which have, in effect, saved JTPA money.

Another asset of the JTPA Program, I believe, are the performance standards, which have really given JTPA a lot of credibility in our local area. When I discuss JTPA Programs with groups of employers or taxpayers, and even clubs and organizations, and even applicants for the program, I talk about JTPA results in terms of the number of people who got jobs, the average wage, the cost it takes to train, and the fact that it is an economic program that pays for itself, and the fact that organizations that do not run good JTPA Programs do not continue to get funds year after year. Those things make good sense and build a lot of local support.

I would not change the standards in place now, except to support the addition of a follow-up system, which we already do have in

Iowa—it is not available nationwide, however—and to add some measure of return on investment, which I really enjoyed the lady talking about the return like in tax savings and welfare savings. Those things make a lot of sense.

We would not recommend adding a youth competency standard until more data are collected and are available to identify what such a standard should be.

Another asset of JTPA in Iowa is the fact that the State has taken on some major tasks that Service Delivery Areas themselves could probably not do well. Our local management information system is one that was developed by the State. They bore the expense and had their staff develop the system, using microcomputers and software which they provided to each SDA at virtually no cost. It would have been very difficult, if not impossible, for the SDA's to do that task themselves.

The thing that I would add is that the system has been especially useful to us in evaluating programs and taking a look at a lot of management information systems that would result in better programs and save a lot of time.

I would also add that, compared to some other States that I am familiar with, the paperwork requirements in Iowa have been less. And we also have an excellent field representative from the State office. All of those things have helped us have better programs here in SDA IX.

Now I would like to discuss some of the suggested changes in JTPA legislation.

The current legislation requires that 40 percent of the funds be spent on youth. In our area, only 22 percent of the eligible population are youths. Both last year and this year we have had to implement adult enrollment freezes in all our programs approximately halfway through the year. At the same time we are spending an inordinate amount of time in trying to convince youth to participate, we are not able to provide training to hundreds of adults who are supporting families, who are losing homes, and trying to serve as role models to these same youth.

This 40-percent requirement does not take into account the excellent local non-JTPA youth resources that are available in our area, such as high schools and alternative high schools who actively capture most of these youth. Perhaps a higher level makes more sense in a high dropout area, but in any case I believe this should be a local decision, perhaps with a legislative requirement to serve youth based on their incidence in the eligible population.

The next thing that I would suggest for improvement would be to make sure that title III funds are made available to those areas that still badly need them. It appears that our area will experience a 39-percent drop in title III dislocated worker funds next year. We will stretch this year's $310,000 to serve 575 persons, but many of those are served only in job search activities, because OJT training funds were all committed halfway through the year. Unfortunately, retraining is the most frequently needed activity, and most of our training is in very short-term things, so it is not even very expensive. We just do not have enough resources to do those things.

To make matters even worse, last year we worked with a title III national discretionary project with International Harvester. Although additional funds and an extension were requested, this 1-year project will end June 30, 1986. And since quite a few of those persons just started training in the last 3 or 4 months, they went through the grieving process and finally decided they needed to be trained. The problem we are faced with is that the program will end, but they are not done with their training, and we are faced right now with the choice of using most, if not all, of our next year's title III funds to finish their training, or to cast them adrift on June 30. If we use our title III funds to help finish their training, we will also face the additional problem of not being able to serve the dislocated farmers, the new ones that are coming to us.

So the national discretionary projects have been a problem for us in that regard, too.

I would recommend some eligibility changes in the law. In all JTPA Programs using income criteria, I think there should be a provision that youth and adults who have been self-supporting but have been forced, due to job loss, to go back to their parents or a relative's home, that the income of the relatives or family members should not count. For example, we had a 37-year-old gentleman who lost his job, moved in with his brother's family, but had to count his brother's income. And it is obvious that that brother really could not continue to support that person.

Continuing on eligibility, all JTPA Programs using income criteria should include a provision that Social Security retirement benefits not be counted as income. In most circumstances, these benefits put the individual slightly over income guidelines, in some cases by only $14. Although some States have chosen to exclude this income, other have not, and a national policy would provide some guidance. The 3-percent Older Workers Program should have a 10-percent window for serving individuals with serious barriers, similar to the IIA window.

All programs using income criteria should allow the use of either a 6 or a 12 month income determination period. This would be especially helpful in Iowa, where farmers have wide fluctuations in income and expenses based on the time of the year when they have the income or the expense.

The 70-percent lower living income standard level should be updated yearly so that eligibility levels do not stay artificially low. At the present time, we are only getting updates on the poverty levels

In the summer program, the 45-day eligibility period should be deleted or expanded to allow eligibility earlier. In our case we usually start looking, in doing determination, as early as February.

One other item I would just point out on the summer program is that we would like to see some of those summer funds be used for year-round activities if the local area feels that they would be better used that way. We have a lot of youth—we serve 700 youth during the summer, and during the year-round we serve about 500. So it is obvious that a lot of those youth could not continue to receive the job services that they need, and we would like to spread that out a little bit.

Limited hands-on training in the private sector should be allowable for youth and adults, without a requirement to hire. Many employers are willing to participate in providing the real-world experience and references to individuals who need that to compete in the labor market. Unfortunately, they cannot participate because they are not able to guarantee hire, as is required in OJT and tryout employment. I understand that there is a fear of providing an unfair profit or competitive edge to any one employer, but I believe this could be easily overcome by limiting the length of time allowed, or setting a ratio of employees any one employer could work with. After years of experience, both as an employer and as a counselor working with unskilled persons, I do not believe there is great profit during a training phase, anyway.

One of the main problems we have in working with people who are on food stamps and public assistance programs is that when they participate in training they often receive cuts in their benefits, and we would recommend that something be done in coordinating those activities so that people who want to get training do not actually end up with less than if they had just stayed at home.

Lastly, we would recommend that an administrative cost pool be authorized. We spend a great amount of time just dividing out—you know, we buy a dozen pencils, and what are we going to use them for? Are we going to use them in our summer program or in our Older Worker Program or in our Dislocated Worker Program? That applies to many, many of the administrative costs that we have, and we would recommend that that be examined closely.

In summary, I would like to leave a clear message that JTPA is working in our area. We see examples of success like that every day. Just several weeks ago we got a phone call from a former participant who wanted to celebrate with us. He had just finished his 1-year anniversary. He had been hired through OJT as an auto mechanic, and he had then been moved to become the station manager. And since that time he has been hiring a lot of JTPA people himself, and he just wanted to leave with us the message that JTPA worked for him. He even wrote us a poem, and I think I will just leave that for you, Senator Grassley, rather than to read it.

Senator **Grassley** [reading]:

Struggling through life
Dependent with wife
I lost all desire
No one would hire
My hearing impaired
No one did care
I learned one day
Of JTPA
Now I'm employed
I no longer avoid
My problems I solve
I'm very involved
I'm happy and proud
Stand out in the crowd
A three county plan
JTPA can.

[The prepared statement of Ms. Andrews follows:]

TESTIMONY
on
THE JOB TRAINING PARTNERSHIP ACT
and
EMPLOYMENT and TRAINING SERVICES

Presented to
SENATE SUBCOMMITTEE HEARING ON
EMPLOYMENT AND PRODUCTIVITY

By
CATHY ANDREWS
ASSOCIATE DIRECTOR of JOB TRAINING PROGRAMS
EASTERN IOWA COMMUNITY COLLEGE DISTRICT

April 5, 1986

I would like to thank Senator Grassley, his staff, and others present for the opportunity to discuss how JTPA works in Eastern Iowa. I am Cathy Andrews, Associate Director for JTPA in a five-county area in Eastern Iowa including Scott, Muscatine, Clinton, Jackson, and Cedar Counties. I work for Eastern Iowa Community College District which receives and administers JTPA funds for Title IIA, IIB Summer Youth, Title III Dislocated Workers, 8% Educational Linkage, and 3% Older Worker programs.

The counties we serve include a metropolitan area which includes the Iowa and Illinois Quad Cities, several modest sized cities, many smaller towns, and a great deal of land dedicated to farming. Many of our largest employers, such as John Deere, Case, Caterpillar, and many of our smaller companies, are linked to the production of farm-related equipment and services. When farmers have problems, we have problems, Our economy has been plagued by major layoffs, plant and business closings. As of February, 1986, the unemployment rate in the Quad Cities SMSA was 12.7% compared to a national rate of 7.3%. In addition, many individuals have become discouraged and are no longer seeking work; thus they are not counted in the unemployment rate. As some indication, the Quad City labor force, which includes employed and unemployed persons, has fallen by 22,000 people from 1983 to December, 1985.

Last year in all JTPA programs combined, we served 2,593 persons in a variety of activities such as on-the-job training, vocational classroom training, basic education skills upgrading, pre-employment training, work experience, and job search. Based on funding, we are normally the second or third largest SDA in Iowa.

Most of my comments today will come from my previous experiences and training. I have worked with employers and participants for thirteen years as a job coach/counselor, as a planner, and as a manager. Educationally, my degree is in private sector business administration. I also serve as a member of the National Department of Labor Technical Work Group which developed the JTPA performance standard system and would like to comment later on performance standards.

Although I will discuss the things that worked for us in JTPA and will make recommendations for change, I would like to emphasize that the JTPA law has worked very well for the most part and needs only minor adjustments.

First, I would like to discuss the things that have worked especially well in our area.

1. The Private Industry Council and employer involvement in JTPA has been one of the key elements in our success. Our PIC members have made good choices about the types of training to be funded and the skill levels or competencies to be attained. PIC members have called us about job opportunities and business expansions, both within their own companies and those of other interested companies. They have been marketing JTPA at various functions. They have served as references to and have provided contacts at companies we would not have gotten "into" before. They evaluate and oversee JTPA programs.

   Private sector involvement is something I would increase, not reduce. In fact, we are going to use private sector OJTs as much as possible in the summer youth program. Since the employers pay 50% of wages and all benefits, an OJT costs less than half as much as a work experience job in the public sector. Since we have far more youth who apply for the program, this will help us make the funds go farther, not to mention the wide range of occupational experiences that are available in the private sector.

   We are encouraging employer involvement in all phases of training. For example, the PIC recently approved a food service training program. We asked a local employer who owns four restaurants if any of his staff could interview and help JTPA select applicants who were good candidates for food service training. Not only did the employer offer staff to interview, but he also agreed to using the kitchen and other facilities at one of his large restaurants for on-site classroom training. Although the training just started a week ago, the employer has already asked about hiring some of the youth when they graduate. In speaking to the class, he has said he would use his other employer contacts to help good candidates get jobs after training.

2. Another great asset of the current JTPA program is the local decision making. The local economy, local employers' needs, local applicant needs, and local resources have all molded our JTPA program including decisions on the types of training provided, local policies on supportive services, and many other issues. Service providers have been selected based on performance that has been proven in our labor market. Both participants and employers can spread the word about what works in JTPA. When something doesn't work, chances are we'll hear about it since we are in constant contact with such a wide constituency. Employers and people in our communities have a sense of ownership for JTPA. This has also saved JTPA funds. Practically all the office furniture needed to staff five summer youth offices was donated. We do not pay for space in several of our year-round locations.

3. Performance standards have given JTPA the credibility it deserves. When I discuss JTPA with groups of employers, taxpayers, and even applicants for the program, I talk about JTPA results in terms of the percent of people who got jobs, the average wage, the cost it takes to train, the fact that it is an economic program that pays for itself, and the fact that organizations that don't run good JTPA programs cannot continue to get funds year after year. Those things make good sense and build a lot of support.

   I would not change the standards in place now except to support the addition of a follow-up system and to add some measure of return on investment such as funds spent compared to dollars saved in tax payments and reduced public payments in 1988. I would ask that the cost of follow-up be clearly identified as a training expense in the law or regulations. We would not recommend adding a youth competency standard until more data is collected and is available to identify what such a standard should be.

4. JTPA gives the states considerable authority and responsibility. I would like to support this and share what I consider to be major contributions.

   a. The State of Iowa has developed a statewide Management Information System using microcomputers and software which has been made available to each SDA at virtually no cost to that SDA. It would have been very difficult if not impossible, and certainly not cost efficient for SDAs to develop a comparable system. The thing I find most exciting about this system is that I can ask for practically any combination of management information I need. We use this system locally to do more than standard reporting. We use it for counselor caseload management, for internal monitoring and compliance reviews, for identifying participants for mailings, for running performance outcomes, for doing follow-ups and for preparing PIC reports. We recently ran a report on dislocated farmers for Larry's presentation today.
   b. This may not sound possible to those of you who are just familiar with Iowa paperwork, but the State of Iowa actually has less paperwork than at least one other state I am familiar with. I hope that was by design and continues to be on the top of everyone's agenda. The result is that here in Iowa, as a manager, I can spend more time doing productive work.
   c. Last, but not least on the state role, I would like to say that our State field representative, Joe Haessig, has to be one of the best technical assistants in the country.

Now, I would like to discuss some suggested changes in JTPA legislation:

1. Current legislation requires that 40% of Title IIA funds be spent on youth. In our area, only % of the eligible population are youth. Both last year and this year, we have had to implement adult enrollment freezes approximately half way through the year. At the same time we are spending an inordinate amount of time trying to convince youth to participate, we are not able to provide training to hundreds of adults supporting families, losing homes, and trying to serve as role models to these same youth. This 40% requirement does not take into account the excellent local non-JTPA youth resources already available in our area, such as high schools and alternative high schools who actively capture most of these youth anyway. Perhaps a higher level makes more sense in a high dropout area. In any case, I believe this should be a local decision, with a legislative requirement to serve youth based on their incidence in the eligible population. Areas could serve more youth if needed.

2. Title III funds should be made available to those areas that still badly need them. It appears that our area will experience a 39% drop in Title III Dislocated Worker funding next year. We will stretch this year's $310,000 to serve 575 persons, but many are being served in job search activities because OJT and retraining funds were all committed half way through the year. Unfortunately, retraining is the most frequently needed activity. To make matters even worse, last year we worked with a Title III national discretionary project with International Harvester. Although additional funds and an extension were requested, this one year project ends June 30, 1986. Since quite a few of those persons just started training in the last three or four months, we are faced with a choice of using most if not all our next year Title III funds to finish their training or just cast them adrift on June 30. The message I would like to leave is that Title III funds should not be reduced, and that discretionary projects do not allow for classroom training, especially for individuals who do not enroll when the project first starts.

3. Some eligibility changes should be made.
   a. All JTPA programs using income criteria should include a provision that youth and adults who have been self-supporting but are forced due to job loss to live with parents or relatives, should not have to count relatives or family member income. For example, a 37 year old man who loses his job and moves in with his brother's family must count the brother's and all other family members' income. Yet the brother is not really responsible for his support.

b. All JTPA programs using income criteria should include a provision that Social Security retirement benefits not be counted as income. In most circumstances, these benefits put the individual slightly over income guidelines, in some cases by only $14. Although some states have chosen to exclude this income, others have not and a national policy would provide some guidance. The 3% Older Workers program should have a 10% window for serving individuals with serious barriers similar to the IIA window.

c. All programs using income criteria should allow the use of either a six month or twelve month income determination period. This would be especially helpful in Iowa where farmers have wide fluctuations in income and expenses based on the time of the year.

d. The 70% Lower Living Income Standard Level should be updated yearly so that eligibility levels do not stay artificially low. At the present time, we are only getting updates on the poverty levels.

e. The 45-day IIB summer program eligibility period should be deleted or expanded to allow eligibility as early as February 1.

4. Local areas should be allowed to use some or all summer youth funds in year-round activities if the local policy makers agree that funds could be better spent. Also, regulations should clearly allow an inter-program transfer from IIB summer to year-round IIA programs without needless termination and eligibility redetermination at the end of the summer. This would reduce time and paperwork in serving youth who have already been determined eligible once and would encourage the continued development of basic education and job specific skills.

5. Limited hands-on training in the private sector should be clearly allowable for youth and adults without a requirement to hire. Many employers are willing to participate in providing the "real world" experience and references individuals need to compete in the labor market. Unfortunately, despite the great expertise and facilities these employers have, they can't participate because they are not able to guarantee hire as is required in OJT and try out employment. I understand that there is a fear of providing an unfair "profit" or competitive edge to any one employer. I believe this could be easily overcome by limiting the length of time allowed, and the number of setting a ratio of employees any one employer could work with. And, after years of experience both as an employer and as a counselor working with unskilled persons, I do not believe there is great profit during a training phase. I think it's time we took that not so bold step.

A suggestion might be to allow 250 hours of such training to persons who want to try out the occupation, who want a polish after a classroom training program, or who can learn enough about the job to seek employment. I also believe that the employers involved would become our best job developers, either seeking to hire good performers themselves or to pass the word on to other employers they know.

6. Persons who are participating in training should not have their food stamps or other public assistance benefits cut due to PELL or JTPA funds they may receive for books, transportation, child care, or other supportive services which in fact do not result in the person having any more funds in their pocket. In fact, reductions in food stamps or benefits result in less for the participants and their families than if they had just stayed at home.

7. Lastly, an administrative cost pool should be clearly authorized. In our SDA, we break out the cost for a multitude of things for at least seven different JTPA programs/categories (IIA Youth, IIA Adult, Summer Youth, 3%, 8%, Title III DWC, Title III Discretionary). For example, we identify costs or allocate costs for telephones, space, postage, copy work, office supplies, mileage, utilities, equipment, staff time, etc. and the list goes on and on. Fiscal and program time spent is tremendous with little actual benefit. I understand that an administrative cost pool would cause some change in the way performance standards are computed since the Title IIA cost pers include administrative costs. However, perhaps that could be overcome by offering SDAs an option to cost pool and add a standard 15% administrative cost for Title IIA or to use the current method of cost allocation.

In summary, I would like to leave the clear message that JTPA is working and that minor changes would improve the program and its efficiency. I know in my area, we have a lot of dedicated professionals who see it work every day. My staff asked that I tell you about just one example of JTPA's success. About two weeks ago, we got a phone call from a former participant who wanted to share the celebration of his first anniversary on the job. Frank was a 52 year old hearing impaired person who had been laid off from his factory job. He was trained in auto mechanics by a local full service gas station through JTPA on-the-job training. He was hired permanently at the end of the OJT and was offered a station of his own to manage. He now hires and trains others through JTPA. He brought in a cake decorated with frosting shaped into little gas pumps and tires and shared the following poem that he had written as follows:

JTPA

Struggling through life
Dependent with wife
I lost all desire
No one would hire
My hearing impaired
No one did care
I learned one day
Of J.T.P.A.
Now I'm employed
I now longer avoid
My problems I solve
I'm very involved
I'm happy and proud
Stand out in the crowd
A three county plan
J.T.P.A. can.

Thank you for the opportunity to speak today.

Mr McMURRAY. Senator Grassley, my name is Larry McMurray. I am an employment specialist for the Job Training Partnership Program in Service Delivery Area IX of Iowa. I worked under the title III Dislocated Worker Program. Part of my job as farm liaison officer is to work with the dislocated farmers. Our program is administered by the eastern Iowa Community College District and serves five counties: Cedar, Clinton, Jackson, Muscatine, and Scott.

It is a privilege and an honor to have the opportunity to testify before you on the Job Training Partnership Act and the title III Dislocated Worker Program.

I would like to begin by stating that I have worked in Cedar and Muscatine Counties since September 1985, with a degree of success. Prior to working for JTPA, I farmed in Jackson County for 20 years. At one time I owned and operated over 600 acres. Due to the current economic conditions, I have had to sell over 300 acres and gain employment off the farm to maintain our home. My farming experience gives me an excellent insight in being able to work with farmers.

The Dislocated Worker Program has many positive points and has been successful. However, there is one area that may have room for improvement: eligibility. Also, funding cuts for next fiscal year are a major area of concern.

What is disappointing is that we have to wait until a farmer is dislocated from the farm before we can work with him or her. He has to be in bankruptcy or foreclosure or unable to obtain operating capital for the future.

I have an example here.

Three weeks ago, Karen, our intake specialist, called me into her office. She had two applicants, a farm couple, in her office. The couple was currently in bankruptcy with a farm partnership that they had formed several years ago to bring their two sons into the farming operation.

They had filed for bankruptcy as of January 1, 1986, with the partnership. The two sons had found employment. The husband and wife had no real income; both wanted to find employment, and had come to JTPA for help.

Due to the length of time needed to complete bankruptcy, the husband planned to rent the farm from the court this year and only grain-farm it. He would not have money to live on, and would only have any real amount of work for a few weeks in the spring and a few weeks at harvest.

They both needed off-farm employment, but technically neither one is dislocated from the farm. They met the requirement of bankruptcy, but could not make a written declaration of a business dissolution.

What if we could work with the family farmer before he lost the farm, to help him find employment off the farm to be able to save the farm? Under our current guidelines, this is not possible. To be able to help keep the farm family on the farm is an asset to the local community and the local economy. For every seven farm families that leave the local community, one more business on Main Street closes. All you have to do to see how the local economy is suffering is drive down Main Street and see how many storefronts are boarded up.

Another area really suffering is our local school districts. Our local school, Andrew Community, has dropped in enrollment from over 500 in the late seventies to currently 350.

To be able to serve the family farmer would take some rule changes, but that is something that could be overcome. Consideration could be given to either of two areas for title III:

One. Zero or negative net worth on a financial statement.

Two. An inability to cash flow. Cash flow is the ability of the farm operation to generate enough money to service debt, interest and taxes. Today a lot of operations could do this, but cannot provide an additional $15,000 to provide the family with living expenses.

In visiting with local lenders, they stated that they would not have a problem verifying this information for JTPA.

Consideration for titles IIA or IIB should be given to be able to use the last 12 months of income and expense for eligibility. Currently we use only the last 6 months' income and expenses, and multiply by two for annual income. In the farm community, this can, at times, give a very false income, such as selling a large percent of grain crop or livestock in only 1 or 2 months of the year.

Consideration could also be given to using last year's Federal income tax form.

Based on preliminary allocations, title III funding is being cut for the next fiscal year by 39 percent. There is such a need in rural Iowa for help for dislocated farmers that maybe title III, at a minimum, should be to last year's funding level, and even that is not enough. This year, we have obligated all our title III funds during the first 6 months.

The Des Moines Register, on Sunday, March 30, ran an article on bank losses in Iowa in 1985 compared to 1984. Just a couple examples, which you are aware of, of the financial condition of Iowa banks:

In 1984, trouble loans in Jackson County were $3,122,000.

In 1985, trouble loans in Jackson County were $4,254,000.

In 1984, Andrew Savings Bank had $6,000 of trouble loans.

In 1985, Andrew Savings Bank had $188,000 of trouble loans.

In 1984, one out of seven banks lost money.

In 1985, one out of four Iowa banks lost money.

Most of these losses were directly related to agricultural loans.

Fed cattle prices on the Chicago Mercantile are in the midfifties for the next 12 months. Hogs are in the low forties. Corn on the Board of Trade is in the $2 to $2.30 range for the next 12 months. Beans are in the low to mid-$5 range. This means there will probably be no improvement in the farm economy in the near future.

It may take 3 to 5 years or more before there is a major change in the profitability of agriculture.

A lot of farmers are taking a real serious look at their operation to try and keep it going. Bankers like to see a positive cash flow. If the farm is not capable of a positive cash flow, chances are they will not be able to obtain operating capital. If a farm couple could earn off-farm income of maybe $15,000, perhaps the farm operation could then cash-flow.

So many farmers state "I need a job," but do not know where to start to find employment. JTPA can service those needs.

In our area, JTPA works with most of our clients through an assessment program. This assessment meets as a group of from 10 to 20 people for 20 hours in 1 week, over 5 days. This program deals with:

One, the emotions of being unemployed; two, testing program of TABE, which is the test of adult basic education, and the GATB, which is the general aptitude battery; three, motivation; and four, job leads.

After assessment, each participant interviews with their JTPA counselor. Enrollment decisions are then made as a result of assessment, together with the consensus of the counselor and the participant. These options are:

One, assemble the assessment results. A client may obtain information from the assessment and leave. He is under no obligation to enroll in any JTPA Program; two, we have HIRE, which is high intensity resources for employment. This is a preemployment training program with a 3-week curriculum that repeats monthly. The basics of resumes, cover letters, interviews, and job leads are covered. At the present time, over 70 percent of the people enrolled leave with jobs. That program, I should note, is through Muscatine Community College, in cooperation with them; three job search. This option is for clients who prefer to work on a one-to-one basis with their counselor, where you would try for direct placement or try for on-the-job training with a private sector employer; and four IST, or institution skills training, where, as a result of the assessment, there is a definite need shown for additional training in a vocational area to help a client become more employable.

Today, with the highly competitive job market, IST is a very positive choice. An example of such a course just completed at Muscatine Community College is a 9-week building maintenance course. This course addressed the basics such as carpentry, plumbing, electrical maintenance, and supplies management.

This course was set up for 25 students. Ages varied from 20 to 40 years of age. An interest was shown by local businessmen for a need for this kind of training to help with placement. So far, success looks good.

There are other areas where training institutions could put together short courses to help farmers, such as computer, literacy, business management, alternative crops, and cottage industries, and virtually unendless types of training that could be put together.

Short courses are of more interest to the dislocated worker or farmer because most of the time we are working with people who have been out of school for up to 20 years. They are very hesitant to commit themselves to a regular 1- or 2-year program. Short courses, 8 to 10 weeks, can also fit into the fall or winter schedule for farmers, because this is their slow time of the year. Also, going to school does not put money in your pocket. So a farmer can see just getting by financially for 8 to 10 weeks, but not for two to four semesters.

In summary, the title III dislocated worker/farmer is a strong and successful program. Funding should be at least at the current level or more.

The eligibility is an important factor to be able to work with the farmer and hopefully help them stay on the farm.

The family farm, which we have heard and read so much about, is the backbone of the Midwest. Many of these discouraged people are leaving the Midwest. To be able to work with them and help them stay on the farm would be an asset to the economy and the community.

Senator Grassley, thank you for hearing my views on the Job Training Partnership Act.

Senator **Grassley**. It happens that many of the questions I was going to ask, and some of which I asked the previous panel, have been answered in your papers.

I do have two questions, and the first question I will ask of each of you.

From your experience, can you say that there are substantial differences in serving rural and urban populations either in terms of the kinds of people who are served or their needs?

Ms. **Andrews**. I would just like to say that the population groups do not seem to be so different. Most of them are looking for shorter term training programs, not the longer ones. But there is a difference in getting out and reaching those people. In the rural areas, our staff has to do a lot more travel and it takes usually a period of time before an individual agrees to participate.

Mr. **Madden**. I really cannot answer, Senator, because I have not dealt directly with the problem.

Mr. **McMurray**. Getting program knowledge to the people, especially the farm community, has been a challenge. And usually once you get the knowledge out, it takes time, and then you have participation.

Ms. **Andrews**. I would just like to say, too, I could not do what Larry does, because when he goes out and talks to farm families, he talks about the planting and all the other technical things that farmers know about, and they feel comfortable with that, they understand that. I think it takes people who have worked with farming to go out there and do that kind of a job.

Senator **Grassley**. Larry, it is my understanding that Outreach presents a particular problem in serving dislocated farmers. What have you found to be the major problems in Outreach and how have you dealt with them?

Mr. **McMurray**. Well, I could mention getting the word out about your program, and what I have found is the way I have worked is I am comfortable with lenders, with the extension office, with churches. Those are the major areas that I contact. I live in Jackson County. Last winter I worked for 5 months in Clinton and Jackson Counties, and I made contact with the local lenders, such as Muscatine—I am not acquainted with them, so—they call it cold calls. I just go into banks, FHA's, PCA's, and talk about JTPA, explain how it works to them, and ask them for reverse referrals. I never want to have a lender give me a person's name, or anything like that. I ask them if they have any clients that they feel would benefit from our services for them to refer them to us.

I do the same with the clergy, the churches, the local extension office. You know, just going out. It just takes time to make all these contacts. But once you start making these contacts and making followups, we've had a degree of success from that. Talking at extension meetings—you name it; I have been there.

Senator GRASSLEY. I thank each of you on this panel, and I will call the next panel I invite you to stay, if you can.

On panel 3 are Kris Zimmerman, director of the Dislocated Worker Center in Service Delivery Area XI, here in Des Moines; Jerry Smith, director of Service Delivery Area XIV in Creston; and, finally, we will hear from Joe Harper, who is the director of the FARM/CAP, which is the Career Assessment Program for Farmers and Farm Families. FARM/CAP is a program with the Des Moines Area Community College in Ankeny.

I would like to note for the record that Wayne Aspholm, who is a member of the State job training council and the Private Industry Council Chair in Service Area V, was not able to be with us this morning, and has submitted a statement, which will be made a part of the record at this time.

[The prepared statement of Mr. Aspholm follows:]

APR

STATEMENT BY WAYNE P. ASPHOLM

Manson, Iowa
March 31,1986

1. My name is Wayne P. Aspholm and I live at 1237 8th Street, Manson, Iowa, 50563.

2. I am Chairman of the Private Industry Council for Service Delivery Area 5 (six-county rural area in north central Iowa). I have been the PIC Chair of this SDA since the inception of JTPA in Iowa.

3. Also, for approximately two years I have served on the State Job Training Council for the State of Iowa. In this capacity I have visited 11 of the 16 Service Delivery Areas, mostly on monitoring visits.

4. My business experience has included approximately 30 years as an accounting and financial executive with Campbell Soup Company and before that 4 years in the same capacity with the Venezuelan subsidiary of what is now known as EXXON. This combined business experience exposed me to administrative programs and financial controls while assigned to duties in Baltimore; Chicago; Camden, New Jersey; Paris, Texas; and Norwalk, Connecticutt. In addition, for 11 of those years I functioned as a contact person for Plant operations and as such I observed similar functions in about 30 operating plants in the United States and Canada. Also, I performed similar functions and administered programs in Australia, Venezuela, Canada, and Argentina. Since retiring from "big business" in 1982, I have become involved in the management and financing of two small businesses in Manson, Iowa.

5. During this period of time, I have observed that most businesses which operate on a de-centralized basis have better results - from a financial standpoint, from an employee-relations standpoint, and in the eyes of the public. Better results for de-centralized control than with centralized control, that is. It is my contention that this same philosophy should prevail in the administration of the JTPA in Iowa.

6. Based on my business experience and my exposure to JTPA since it started in Iowa, I have come to the conclusion that there exists too much centralized control in the State Administrative Agency. The JTPA Law and Administrative Rules published in the Federal Register have triggered additional Administrative Rules to be issued in Iowa. All of this has translated into strong central control of the administration of the JTPA Program in the state of Iowa. While this has generally produced good results in terms of "performance standards," it is producing a corresponding lack of enthusiasm for the program at the local level. The 16 Private Industry Councils and the Local Elected Officials' Consortiums in Iowa do not have sufficient authority to make real decisions. This has resulted in substantial turnover in membership in the Councils, with each departure creating a vacancy to be filled by a new member, who is usually unfamiliar with the details of the training programs.

7. With regard to the operations of the JTPA to date, it could be argued that in the state of Iowa, the strong central control was necessary to get the program going. Maybe. Nevertheless, I contend that it is time to look again at the intent of the Act. If indeed a primary goal is to get and keep cooperation from the Private Sector and from other local people serving on the Councils and Consortiums, we must ask if the present organizational set-up will accomplish that.

8. My specific recommendation is that the Secretary of Labor and the Governor of Iowa re-emphasize the importance of the local pårticipation in the training programs. I further believe they should now go on record in favor of maximum de-centralization of the administration of the programs. Additionally, there should be established a team of people representing PIC Chairs, LEO's, JTPA Directors of the 16 SDAs, and the State Administrative Entity to work out the details of this changeover of emphasis.

9. Without some change in emphasis, I feel certain we will see less and less enthusiasm and involvement by Private Industry Council members (particulary private sector personnel who are accustomed to having a strong voice in operations in their own companies).

10. None of my comments are intended to reflect on any individual. I am attempting to emphasize a position that I believe would improve the program to a better position than we have attained to date.

Best Regards to All

Wayne P.

Senator Grassley I understand, Jerry, that you have to catch a plane, so I would like to have you feel free to leave at the conclusion of your remarks, and why don't I let you start first.

STATEMENT OF JERRY SMITH, DIRECTOR, SERVICE DELIVERY AREA XIV, CRESTON, IOWA; KRIS ZIMMERMAN, DIRECTOR, DISLOCATED WORKER CENTER, SERVICE DELIVERY AREA XI, DES MOINES, IA; AND JOE HARPER, DIRECTOR, FARM/CAP [CAREER ASSESSMENT PROGRAM], DES MOINES AREA COMMUNITY COLLEGE, ANKENY, IA

Mr. SMITH. I would like to thank you for the opportunity to give testimony today.

Service Delivery Area XIV of Iowa's JTPA Program is one of the most rural service delivery areas in the Nation, serving seven counties in southwestern Iowa. Efforts are currently being made to utilize title III of JTPA to assist the dislocated farmer population.

The problems in the farming community are well documented. Service Delivery Area XIV has experienced the effects of three bank closings in the past 2 years, accompanied with significant loss of income in the agricultural sector. Due to the nature of the small size of farms in our area, ranging from 160 to 240 acres per farm, predictions are that 10 to 20 percent of the farmers in our SDA will become displaced.

The goal of my testimony today is not to echo the concerns of the complex farm problem, however, but to illustrate the possibility and potential of JTPA to serve displaced farmers.

Our area, like much of the Midwest, is going through a dynamic transition, affecting a large number of the population. While I paint somewhat of a bleak picture in the agricultural sector, I would suggest SDA XIV is experiencing growth in light industry. Thus, the obvious role to be played by JTPA is to provide displaced farmers with skills to transition to new occupations as they exist in our area.

During the first 3 months of 1986, SDA XIV has scheduled 72 dislocated farmers for workshops in job-seeking skills, career assessment, ability, and aptitude testing at Southwestern Community College and Graceland College. Following these workshops, participants are referred to private sector employers for on-the-job training.

I would like to add just a couple of examples of what is going on in our area specifically.

Last Thursday I attended graduation exercises, if you will, of 18 displaced farmers at Graceland College. When we talk about local programming and local efforts, not only going through the 6 weeks of retraining at Graceland, I am proud to announce that the college down there offered those participants free tuition for up to 4 years to work towards their BA studies there at that institution, showing local commitment just coming from that private school. I think that is a very positive step

On the private sector side, we have a situation where this month we have a company coming in from West Germany, a candy factory, that is going to be employing 100 individuals in Creston. And basically they are locating in our area, I think, because they are impressed with the work force, our farmer population. And we are going to be working very closely with that West German company, providing some on-the-job training activities for dislocated farmers.

West Germany has a history of working with training programs, and we are going to be working very closely with them.

I guess the point of those two examples is not only are we getting Federal dollars involved in the program, but I think we are also getting some local involvement that adds to the program.

My primary concerns as a local program administrator consist of funding considerations. Of particular concern are substantial real cuts in title III for services which directly affect programming capabilities, at a time when demand and need for services are significantly increasing. This is especially true in rural areas, in general, which prevents farmers who become dislocated from being counted in unemployment statistics; thus, not reflecting the need of an Area by funding formula.

In summary, JTPA cannot and should not be considered a solution to the farm problem. It should also be recognized that additional dollars, by itself, will not solve the problem. What must be done is a local effort to bring jobs into the area with economic development, followed by utilization of JTPA funding to assist the dislocated farmer population into a more diversified labor force.

This is the partnership required to make JTPA a truly successful program.

Senator GRASSLEY. Before you go, you are the third person today who has mentioned cuts in title III. Are you talking about fiscal year 1986, or proposed for 1987? And if it is for 1987, are you talking about the President's budget?

Mr. SMITH. I was specifically talking about the cut from $220 million to $100 million. I believe that is fiscal year 1986.

Senator GRASSLEY. For the year we are in right now?

Mr. SMITH. For the upcoming year, fiscal year 1986.

Senator GRASSLEY. Well, we are in 1986 right now.

Mr. SMITH. It would be 1987.

Senator GRASSLEY. So then that would be on the President's budget, right?

Mr. PHILIP SMITH. The cut for the budget period starts July 1, 1986. We are being cut from $223 million to $100 million. Then in the President's budget, which covers the July 1, 1987 period, he has proposed eliminating all the formula grants and moving title III to the States, and reserving it at the Federal level and then distributing it on an as-needed basis.

We are very much opposed to that. I think that is what they are alluding to.

Senator GRASSLEY. Well, are these programs forward funded 1 year?

Mr. PHILIP SMITH. Yes.

Senator GRASSLEY. So then you know that that is a certain and final figure, starting July 1?

Mr. PHILIP SMITH. Yes, it is. We received approximately $1.8 million in Federal funds for the year that we are currently in. For the year that is coming up July 1, 1986, we will be down to about $900,000 in Federal funds.

Ms. ANDERSON. You compound that with discretionary grants, and you can go from a $1.3 million to a $100,000 level in our State.

Senator GRASSLEY. Thank you. Mr. Smith, I know you have to go. Kris, we will turn to you now.

Ms. ZIMMERMAN. My name is Kris Zimmerman, and I am the project director for the Region IX Dislocated Worker Center in Iowa.

I would like at this time, Senator, to thank you for the opportunity to submit information

The Dislocated Worker Center provides JTPA title III services to dislocated workers who have lost their jobs because of plant closings and layoffs, and also to the growing number of farm families that are in the process of losing their farms because of the agricultural crisis.

Region XI is comprised of eight counties—Boone, Dallas, Jasper, Madison, Marion, Polk, Story, and Warren. The Dislocated Worker Center is a service-oriented agency that identifies and provides reemployment training, educational counseling, and job retraining.

In addition, the center serves as a liaison for dislocated workers and dislocated farmers by advocating for them to obtain services, assistance and support from other service organizations and agencies.

The center also cosponsors three additional programs that are not funded by JTPA. Upon referral by the center, the University of Osteopathic Medicine and Health Sciences in Des Moines, and numerous dentists in the eight-county area are offering free medical and dental care to dislocated workers, dislocated farmers and their family members. This particular program is set aside just for people from service delivery area XI, and it is for people who have limited income and no other insurance to take care of their health needs.

The services range from family health care to primary dental care.

The College for Continuing Education at Drake University offers a deferred tuition program to provide college classes at a reduced cost to dislocated workers and farmers referred by the center.

United Way of Central Iowa administers the program funds for the operation of the Dislocated Worker Center, and as some of you know, the center is part of the Labor Division of United Way.

The concept for an organization specifically developed to meet the needs of the growing numbers of displaced workers in central Iowa originated with Perry Chapin, president of the South Central Iowa Federation of Labor, and Tom Glenn, statewide labor liaison for the Job Training Partnership Program.

This concept continues to be very favorably received by business, labor, education, community, and government leaders throughout the eight-county area. The center was established in 1981 as the Mayor's Task Force on Unemployment and Plant Closings.

Because the center is part of the Labor Division of United Way, a close working relationship with organized labor has been established. This relationship has resulted in the cooperation of the labor community in identifying dislocated workers, and coordinating and implementing training programs. Because of the training programs and the cooperation from various labor groups, many dislocated workers, including females, minorities and farmers, have found jobs.

The plight of the dislocated farmer is a major problem in Iowa. Dislocated farmers have not only lost their jobs and their whole way of life, but many have lost their homes, their pride and some even their families. Because dislocated farmers do not receive unemployment compensation, it is imperative that they receive services before they are totally destitute.

Special outreach efforts are made to locate and inform dislocated farmers about the services that are available from JTPA to help meet their needs. When possible, this information is provided to them before they are through the litigation process.

I think, as evidenced earlier, the eligibility requirements for farmers are strict. One of my concerns is that there be more leniency in that so we can get to the farmers and start helping them, provide services, retraining, whatever it is they need, prior to actually having bankruptcy, foreclosure, and inability to secure capital.

The special outreach efforts include informational meetings, public service announcements, speaking engagements, contacts with agencies, businesses and organizations related to the farming industry, and contacts with human service agencies or special interest groups.

The dislocation of farm families has had a dramatic impact on the many ag-related businesses in Iowa, such as Firestone. With the support of Governor Terry Branstad, and a grant from the Office for Planning and Programming, the center is currently operating a special program, with the cooperation of Firestone Tire and Rubber Co. and the United Rubber Workers Local 310, to provide reemployment training to 500 of the 700 workers laid off from Firestone.

The training includes a 4-day workshop and resume preparation, access to a phone bank, informational library, national newspapers, job fische provided by Job Service of Iowa, and job referrals. The outplacement center is located in the Firestone plant. That is an in-kind contribution for office space, equipment, a computer, and this is all donated by Firestone and local 310, and it has been operational since January 2, 1986.

Since July 1985, from program year 1985 funds, only 125 dislocated workers and farmers have received institutional skill or on-the-job training in demand occupational areas. This training has been provided by Drake University, Des Moines Area Community College, Des Moines Public Schools, and other training institutions, as well as labor groups and many employers in the eight-county area.

Some of the participants received support services in the form of reimbursed transportation and child care. But because of limited funds, many dislocated workers and farmers attended training programs without receiving support services, and for our area 'we were unable to assist in needs-based payments.

Iowa's workers and farmers have a strong work ethic, a high educational level and are basically honest. Because many workers and farmers are presently dislocated, we, as service-oriented agencies, must provide comprehensive programs and quality services that will benefit them as they search for reemployment. JTPA is working in SDA XI.

In order to continue to provide the quality of retraining and other assistance programs that are necessary to keep our Iowa work force here in Iowa and employed in full-time, unsubsidized jobs, it is essential that:

First, we continue to work cooperatively together at the Federal, State and local level to promote JTPA;

Second, we promote economic development in Iowa which will result in more jobs and a stronger work force;

Third, that we continue to strive to help our fellow workers regain jobs, dignity and pride, by focusing on our greatest resource—our people; and

Fourth, title III funds be increased, not decreased, to help meet the needs of Iowa's dislocated workers and farmers.

Thank you

Senator GRASSLEY. Thank you, Kris.

Mr. HARPER. I am Joe Harper, director of the Des Moines Area Community College FARM/CAP Program. I have been involved in agriculture all my life, and live on a farm. I became director of this new and exciting program in December 1985. As such, I am the only panel member here today who is not directly associated with the JTPA Program.

Des Moines Area Community College, called DMACC, is a State-supported community college serving 11 counties in central and western Iowa. The college district contains approximately 20 percent of the State's population and serves metropolitan, urban, and rural areas.

To ensure service and opportunity, the college has developed facilities in Ankeny, a community of 16,000; Des Moines, a city of 250,000; Boone, a rural community of 13,000; and Carroll, a rural community of 10,000 residents some 90 miles from Des Moines Area Community College's Ankeny Administrative Center.

I do not think I need to touch on the problems in agriculture, so we might move on to talking about the current regulations and guidelines tht are established for the JTPA Program, in that they do not allow most of the rural population access to the JTPA Programs and services.

Regulations limit farmer participation due to the establishment of unrealistic income guidelines. The guidelines ignore the fact that current income checks are often made payable both to a bank, or another lending agency, and to the farmer. Thus, income from the sale of farm production goes to pay off existing notes, mortgages, et cetera, and therefore does not provide a net income to the farmer or the farm population. Current regulations require a farmer declare bankruptcy before becoming eligible for JTPA Programs and services.

Farm people need help before they find themselves in that situation. Many are hanging on, wishing to stay on the farm, but do not know if they should sell out now to salvage any existing net worth. Some already have. A program is needed to help with that assessment.

The DMACC Program, entitled FARM/CAP represents a new initiative for helping any area farmers, agricultural-related workers, and their spouses who desire assistance in assessing the direction their careers and lives are going.

FARM/CAP is a model to determine the best possible way to provide assistance to this target group. It is funded by a grant from a private corporation that wishes to remain anonymous. Evaluation and redesign of the model has been taking place during this first 4 months of operation. The result is a program that works, and one that could be effective in providing help to people in agriculture over the entire State of Iowa.

At the inception of the program, various DMACC staff members established an ongoing relationship with an area farm support group, the Greenbrier Area Farm Support Group, centered north of Bagley, IA, in Guthrie County. Staff members participated in Sunday evening meetings, listened carefully, and offered to assist in ways the group would consider helpful. In this spirit, the staff worked with Pastor Art Hill, Greenbrier United Methodist Church, and members of the support group in developing a response sheet to further determine group members' needs. From that beginning, staff members developed the basic format for our FARM/CAP workshops.

Eligibility guidelines for FARM/CAP are not stringent. Help should be provided for those feeling a need. When people ask if they qualify for FARM/CAP, I tell them, "If you think the program will help you, you're in."

The heart of FARM/CAP is a 9-day, half-day sessions, workshop out in the 11 counties DMACC serves. Members of the Greenbrier support group participated in our pilot workshop in December. By conducting the program where people live, we have been able to obtain excellent participation. Many of these people do not feel they can afford to drive a great distance for these services

The first week of the program, 20 hours, is directed toward career planning. Through a variety of both formal and informal activities, group members discover career and life options based on the assessment of their interests, skills, abilities, experiences and values. As a part of the formal evaluation, members utilize a testing instrument called the Career Planning Program, CPP. This is computer scored and later used in individual counseling.

One of the first steps in career planning is to help farmers answer the question, "Is farming an option for me?" Participants receive guidance in evaluating all their options; whether they be to remain on the farm, seek some part-time employment, seek full-time employment, or obtain needed training to more thoroughly prepare themselves for the job market.

If farming is deemed not an option, the FARM/CAP workshop serves as a starting place. Two words describe the improvement often observed in workshop participants—attitude and confidence. A positive change occurs because participants take several giant steps through the process of stress and anger.

As workshop leaders work with these people, referrals are often made to other agency programs, such as the extension service's farm financial assessment, Iowa's Farmer Creditor Mediation Service, the JTPA Training Services and Dislocated Farmer Program, PROTEUS Employment Opportunities, Job Service of Iowa, and the mental health centers. No one agency provides all the services and help these people need as they face the agriculture crisis.

If participants can qualify for the JTPA Training Services and Dislocated Farmer Program, we direct them to those offices; just as those providers often refer individuals that do not fit the JTPA guidelines, to FARM/CAP.

The second week of our workshop, 16 hours, deals with job search assistance. The FARM/CAP Program is unique, in that Job Service of Iowa and DMACC are cooperating in this endeavor. I believe this is the first time that Job Service has ever taken their training program outside their offices. Job Service of Iowa provides the leadership for the job search assistance part of the program. During these 4 days, participants develop job-seeking skills, how to fill out an application, resume and cover letter preparation, and proper interviewing skills.

We are confident that these 9 days of workshops are vital for almost all dislocated farm people before they attempt to seek employment or seek training to upgrade their skills. First they need to determine their best options through their own personal assessment. Only then are they better able to proceed with the task of getting on with their lives.

Following the FARM/CAP workshop, participants are asked to come to the DMACC campus of their choice for individual counseling. At this time their computer-scored CPP results are interpreted by counseling staff. This testing instrument directs them toward clusters of jobs that most nearly fit the individual's skills, abilities, and interests. In the counseling session, further help is provided, depending on the option chosen by the participant. Those wanting to seek employment are provided access to a computer interest inventory package called Discover. This gives additional insight into fitting their skills and interests to the job market. Followup in job placement and job development is provided approximately 3 and 6 weeks later, in the form of two workshops, back in the counties for those still trying to obtain employment.

For those wanting further training, they are counseled toward JTPA, if they fit the eligibility guidelines. If they do not fit those guidelines, counseling is provided toward course work at DMACC, Iowa State University, Drake University, or other educational institutions or training programs that fit their needs.

The DMACC Foundation has established FARM/CAP scholarships for FARM/CAP participants if they want to take college credit courses at DMACC.

In addition to the pilot workshop in December, eight workshops were scheduled January through April. At two locations interest was so high a second workshop was added. At this time we are in the tenth workshop, with a maximum of 20 people in each. To date, 174 individuals have been served, and response of participants has been phenomenal. Each is asked to complete a short evaluation form at the end of the workshop. The final question is, "Would you recommend this workshop to a friend?" The unanimous response has been, yes.

It is too early to have a total evaluation of the effectiveness of the program in job placement, but results look extremely good. Job placements are attributed to application of the knowledge gained in the workshop; positive attitude and proper job-seeking skills. One employer hiring several FARM/CAP participants wrote me that FARM/CAP people were hired over other applicants because they came in with a job goal, a written resume, and desirable interviewing skills.

The FARM/CAP model has demonstrated its effectiveness in providing career planning and job search assistance. FARM/CAP has been designed to be transported to other settings and personnel. We think the program has merit for the entire State of Iowa and across the country, and feel collaboration with various area agencies and groups is important when designing a wide array of options for program participants.

DMACC recommends FARM/CAP be made available before farm people move into the training provided by JTPA. To date our experience has been that to best serve this group of people, a program must not be hindered by stringent eligibility guidelines. If Federal funding is made available for a similar program, we would strongly recommend the Department of Labor seriously reevaluate their current regulations concerning eligibility.

In addition to the regular JTPA funding, State and Federal funds are needed to make FARM/CAP available without restriction across the country to assist that part of our work force that has contributed so greatly to the development of our great Nation—America's farmers, agriculture-related workers, and their spouses.

Thank you.

[The prepared statement of Mr. Harper follows:]

LABOR AND HUMAN RESOURCES COMMITTEE

Sub-Committee on Employment & Productivity

Field Hearing

JOB TRAINING PARTNERSHIP ACT
IN A RURAL SETTING

conducted by

The Honorable Charles Grassley

U. S. Senate

Presented by
Wallace State Office Building
Des Moines, Iowa
April 5, 1986

Prepared by Des Moines Area Community College

Dr. Joe Borgen, President
Ann Schodde, Vice President, Development
Daryl VanderWilt, Director, Grants and Contracts
Joe Harper, Director, FARM/CAP

Good morning. I am Joe Harper, Director of the Des Moines Area Community College FARM/CAP Program. I have been involved in agriculture all my life and live on a farm. I became Director of this new and exciting program in December, 1985.

Des Moines Area Community College (DMACC) is a state-supported community college serving 11 counties in central and western Iowa. The College district contains approximately 20 percent of the state'e population and serves metropolitan, urban, and rural areas. To ensure service and opportunity, the College has developed facilities in Ankeny, a community of 16,000; Des Moines, a city of 250,000; Boone, a rural community of 13,000; and Carroll, a rural community of 10,000 residents some 90 miles from Des Moines Area Community College's Ankeny administrative center.

The agriculture crisis has exposed alarming statistics of the loss of farms in Iowa and the estimated 25,000 dislocated farmers and farm families seeking new jobs between now and 1989. This loss of farms and farm families will result in a staggering loss of small town businesses and "town" jobs. This situation creates a rural unemployment loss of 50,000 people in need of retraining, jobs, or relocation.

These statistics are chilling. All available resources are needed to address this sudden and severe economic downturn; to help people in agriculture adjust to emerging economic realities.

However, current regulations and guidelines established for the JTPA program do not allow most of our rural population access to JTPA programs and services. Regulations limit farmer participation due to the establishment of unrealistic income guidelines. The guidelines ignore the fact that current income checks are often made payable both to a bank, or another lending agency, and to the farmer. Thus, income from the sale of farm production goes to pay off existing notes, mortgages, etc.; and therefore does not provide a net income to the farmer or the farm population. Current regulations require a farmer declare bankruptcy before becoming eligible for JTPA programs and services.

Farm people need help before they find themselves in that situation. Many are hanging on, wishing to stay on the farm, but do not know if they should sell out now to salvage any existing net worth. Some already have. A program is needed to help with that assessment.

The DMACC program entitled FARM/CAP (Career Assessment Program) represents a new initiative for helping any area farmers, agricultural-related workers, and their spouses who desire assistance in assessing the direction their careers and lives are going.

FARM/CAP is a 'model' to determine the best possible way to provide assistance to this targeted group. It is funded by a grant from a private corporation that wishes to remain anonymous. Evaluation and re-design of the 'model' has been taking place during this first four months of operation. The result is a program that works, and one that could be effective in providing help to people in agriculture over the entire state of Iowa.

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County. Staff members participated in Sunday evening meetings, listened carefully, and offered to assist in ways the group would consider helpful. In this spirit, the staff worked with Pastor Art Hill, Greenbrier United Methodist Church, and members of the support group in developing a response sheet to further determine group members' needs. From that beginning staff members developed the basic format for our FARM/CAP workshops.

Eligibility guidelines for FARM/CAP are not strigent. Help should be provided for those feeling a need. When people ask if they qualify for FARM/CAP I tell them, "If you think the program will help you, you're in."

The heart of FARM/CAP is a nine day (half-day sessions) workshop out in the 11 counties DMACC serves. Members of the Greenbrier support group participated in our pilot workshop in December. By conducting the program where people live, we have been able to obtain excellent participation. Many of these people do not feel they can afford to drive a great distance for these services.

The first week of the program (20 hours) is directed toward Career Planning. Through a variety of both formal and informal activities group members discover career and life options based on the assessment of their interests, skills, abilities, experiences, and values. As a part of the formal evaluation members utilize a testing instrument called the Career Planning Program. This is computer scored and later used in individual counseling.

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For those wanting further training they are counseled toward JTPA if they fit the eligibility guidelines. If they do not fit those guidelines, counseling is provided toward course work at DMACC, or Iowa State University, Drake University, or other educational institutions or training programs that fit their needs.

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In addition to the regular JTPA funding, state and federal funds are needed to make FARM/CAP available without restriction across the country to assist that part of our work force that has contributed so greatly to the development of our great nation; America's farmers, agriculture-related workers, and their spouses.

Thank you.

Senator GRASSLEY. Do you think if we could get the Labor Department to change those recommendations for agriculture, that they would be able to throw back to us that it would be opening up a gate to a lot of other groups that would be interested? I cannot think of any, myself, that would be affected the same way agriculture is, but do you know about that?

Mr. HARPER. In our program, in 11 counties, we have not found that as a problem. I cannot give you the exact statistics, but I am sure that the ag-related workers would be something like 10 percent of our participation. Interestingly, about 35 percent of our participation are the spouses.

So I do not think that this would be a problem, in that the reason they come in is they need help, and the pride thing eliminates some people from the program.

Senator GRASSLEY. I have three questions. One will be just to you, Mr. Harper, but if you can both respond—I suppose Mr. Smith's absence is going to detract from this somewhat, because I would sure like to have had his view, but we can maybe send him some for answers in writing.

One of the major criticisms of the old CETA Program was that it created Government make-work jobs that did not necessarily lead to permanent employment. And, of course, you know Congress hoped to avoid that pitfall in this Act, by giving the private sector a leading role and giving a great deal of discretion to the local level.

Would it be fair to conclude that the concept is working so far, and that you would encourage Congress to maintain those two features of the Job Training Partnership Act?

I will start with you, Kris.

Ms. ZIMMERMAN. I would say it is working, but we do need to keep up with education, as far as retraining workers.

Mr. HARPER. I think that is one of the keys, that we get these people to evaluate their situation and their options, and take a look at retraining. We are finding that approximately 20 percent of the people we have worked with are interested in doing some retraining.

Senator GRASSLEY. But do you think that the private sector's role is a good role and ought to be maintained, and also the fact that this program is not uniform throughout the country, in the sense that it leaves a great deal of discretion to the local level. These two features, do you see anything wrong with either one of these two features?

Ms. ZIMMERMAN. No; I would say that we need to continue both of those.

Senator GRASSLEY. Have either one of you had anything to do with the predecessor program, CETA?

Ms. ZIMMERMAN. No.

Mr. HARPER. No.

Senator GRASSLEY. Mr. Harper, I have a question about outreach. It is my understanding it presents a particular problem of serving dislocated farmers. What have you found to be the major problems with outreach, and how have you dealt with it?

Mr. HARPER. Well, the major problem is just getting to them. Larry McMurray, in his presentation earlier, indicated that he had worked with extension services, banks and ministers. In addition to that, Kris Zimmerman's office, Dislocated Workers Center, we have worked with, and made referrals back and forth, and other human service groups, the mental health centers.

But one that has not been mentioned today that we found a good referral system are the support groups here in Iowa, and we have found that in communities where there are good active support groups, farm people are more willing to participate in our program.

To that end, we got so interested and involved in that, that we cooperated with Iowa State University in sponsoring, just a week ago today, a statewide conference to promote self-help groups or support groups, and we had over 100 people register at that all-day, statewide conference last Saturday to learn more about the development of support groups.

Senator GRASSLEY. This is kind of a summary question, and I did not ask the previous group:

What would you say have been the major achievements in your program, and what do you see as the major challenges that remain?

Ms. ZIMMERMAN. I would say the major achievement would be providing an effective program, one that is always striving to work with lots of different groups in a coordination effort, and the like.

The main challenge, I think, is reaching the ag groups, the farmers; and funding, of course, and our inability to be able to serve the groups now that need to be served with the money that we have available

Senator GRASSLEY. Mr. Harper.

Mr. HARPER. Des Moines Area Community College serves 11 counties, and with 11 workshops we will average probably 18 people per workshop. And I think that has been a major achievement, is to serve that many people in 4 or 5 months' time.

The next achievement would be the response we get from them on what they got out of the program, and the job placement that we apparently are coming up with. It is a little early to give an actual evaluation, however.

As far as challenges, I think one of the challenges is that our program was funded by a private corporation grant as a model, to see what could be developed. So it is a challenge to come up with the final report of what this program actually did accomplish, and then to secure funding to carry the program on, both to administer and carry out the program and provide the workshop leadership, but also programs along the line of a scholarship that we have started in the DMACC campus, to provide training for these people. And I think the program needs to be expanded way beyond an 11-county area.

Senator GRASSLEY. That is the end of my questions, and I thank you for participating

I do not have any closing statement, but as a matter of administration, one closing thing: That if any of you have any additions or corrections that you want to make, you will have a 15-day period of time to make those as well.

Thank you all very much. The meeting is adjourned.

[Whereupon, at 12:15 p.m., the subcommittee was adjourned.]

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